



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
02/22/2023 7:30 PM
Conducted via Remote Participation - Zoom

ATTENDEES

Remy	P	White	P	Griffin	P	Bliss	P
Blundell	P	Younkin	P	Harmer	P	Tosti	P
Susse	P	Lobel	P	LaCourt	P	Deshler	P
Migliazzo	P	Gibian	P	Jones	P	Carman	P
Beck	A	Foskett	P	Heigham	P	McKenna	P
						Bradley	P

P indicates Present; L indicates late; A indicates Absent

Visitors: Sean Keane (ACMI)

INTRODUCTION

1. Deshler read the rules for the meeting as formulated by Town Counsel based on the Governor's authorization. An important rule is that all votes, unless unanimous, must be by roll call. Attendance was taken by roll call. A vote of "unanimous" means "unanimous vote by all present". The Chair votes only when there is a tie.

MINUTES

1. Meeting minutes from 2/13/2023 were approved with 17 in favor and one abstaining (LaCourt)

BUDGETS, ARTICLES & ITEMS

1. Town Manager Pooler would like to see an update to Offsets calculations in FY2025
2. Select Board
 - a. Principal Clerk & Typist position changing from Full Time to Part Time, Board Administrator would like to see position increased to .75 in future
 - b. Telephone Expense line is for a cell phone assigned to Board Administrator
 - c. VOTE: the Select Board Accounting and Auditing Total budget totaling \$78,000 was approved unanimously (McKenna absent for vote)
 - d. VOTE: the motion to table the Select Board Taxation Total budget was approved unanimously
3. Town Manager
 - a. The \$19,125 Town Manager salary expense is for a one month overlap between Town Manager Pooler and incoming Town Manager
 - b. New Deputy Town Manger – Finance will start at \$138,000
 - c. CPA Offsets partially offset the Deputy Town Manager – Operations salary

- d. VOTE: the Town Manager budget totaling \$730,106 was approved with 17 in favor and one in opposition (Foskett)
- 4. Legal
 - a. The Legal office is located in an older building on Pleasant Street (not a Town owned building); department is working with Facilities to request CPA funding for renovations
 - b. Expense line includes Bar dues, court fees, filing fees, office supplies, travel and outside counsel
 - c. VOTE: the Legal budget totaling \$516,294 was approved unanimously
- 5. Town Clerk, Elections & Board of Registrars
 - a. Assistant Town Clerk job is now vacant
 - b. 5219 Stenographers – looking into doing away with this expense through digital tools if possible/legal
 - c. Clerk's office has been busy during Brazile's first term: vote recount (rare), COVID-19 (mail-in voting) and redistricting
 - d. 5221 Electronic Voting Equipment: office purchased 21 voting pads
 - e. VOTE: the Town Clerk budget totaling \$286,814 was approved unanimously
 - f. VOTE: the Elections budget totaling \$195,840 was approved unanimously
 - g. VOTE: the Board of Registrars budget totaling \$71,535 was approved unanimously
- 6. Planning and Community Development
 - a. Director salary came in at a fixed rate and is now joining the classification system
 - b. Office Manager position was reclassified last year
 - c. No warrant article appropriations planned for this year
 - d. Negotiations happening with BlueBikes to try and get a better deal for Arlington
 - e. School Offset is due to Sustainability Manager time spent on School buildings
 - f. VOTE: the Planning and Community Development budget totaling \$635,032 was approved unanimously
- 7. Redevelopment Board
 - a. VOTE: the Redevelopment Board budget totaling \$10,800 was approved unanimously
- 8. Inspections
 - a. Record Keeper-Inspections increased hours
 - b. Plan to move to online permitting
 - c. VOTE: the Inspections budget totaling \$527,082 was approved unanimously
- 9. Retirement
 - a. Health Care Trust Fund: Pooler recommended to transfer \$1,412,454 (all balance but \$150,000) to OPEB Trust Fund
 - b. Original agreement with Retirement: fund at an annual increase rate of 6% per year; this was adjusted to 5.5% (target date for fully funded liability is 2034); 5% COLA increase still results in 2034 target year
 - c. VOTE: the vote was tabled until the next meeting
- 10. Summary

Budget Name	Amount	Status
Select Board – Accounting and Auditing Total	78,000	Approved
Select Board – Taxation Total	TBD	Outstanding
Town Manager	730,106	Approved
Legal	516,294	Approved
Town Clerk	286,814	Approved
Elections	195,840	Approved

Board of Registrars	71,535	Approved
Planning & Community Development	635,032	Approved
Redevelopment Board	10,800	Approved
Inspections	527,082	Approved
Retirement	14,133,875	Tabled

CONCLUSION

The meeting adjourned at 10:09 pm.

The next meeting is Monday, February 27, 2023.

Tara Bradley
2/22/2023

Reference 1: Budget Explainer

Reference 2: Inspections Department Presentation

Reference 3: Study of the Office of the Town Clerk

Reference 4: Retirement Meeting Notes 20230215

Reference 5: OPEB Transfer Member 2-22-23

FY2024 Budget Explainer

January 23, 2023

When looking at the budget for each department, please keep in mind that the FY2023 Budget Book numbers reflect what was in voted for each department in last year's Finance Committee report to Town Meeting, whereas the FY2023 budget amounts shown in the FY2024 budget comparison chart are the prior fiscal year's appropriation PLUS the amounts approved by 2022 Town Meeting for various collective bargaining units via Article 49. For example:

FY 2024 SALARY DETAIL			FY2023	
HUMAN RESOURCES Previous	Job		Budget Book	New Pay
MALLOY		DIRECTOR OF HUMAN RESOURCES	128,998	136,210
ROBERTS		ASST DIRECTOR OF HUMAN RESOURCES	81,914	88,662
SHAW		BENEFITS ACCOUNTANT	38,544	41,968
DISTASIO		BENEFITS ADMINISTRATOR	69,022	72,266
APPROPRIATION TOTAL:			318,478	339,106
Water/Sewer Offsets			(18,495)	(18,788)
TAXATION TOTAL:			299,983	320,318

The budget figures in the table below are the total amount approved at Town Meeting for that department *and* the amount approved for their department's collective bargaining amounts:
 $\$318,478 + \$6,498 = \$324,976$.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	\$ Change	% Change
0115281 HUMAN RESOURCES SALARIES						
5100 SALARIES & WAGES	308,907	315,364	324,976	339,106	14,130	4.35%
5156 LONGEVITY	6,484	9,121	7,850	8,211	361	4.60%
0115281 HUMAN RESOURCES SALARIES	315,391	324,485	332,826	347,317	14,491	4.35%

Town of Arlington, Massachusetts

Article 49

Warrant Article Title:
COLLECTIVE BARGAINING

Warrant Article Text:

To see if the Town will vote to fund any fiscal items in the event that any are contained in collective bargaining agreements between the Town and the following named collective bargaining units, and to fund for non-union, M Schedule, and elected officials' salaries or fringe benefits, determine how the money shall be raised and expended; or take any action related thereto:

- A. Local 880, American Federation of State, County and Municipal Employees;
- B. Service Employees International Union;
- C. Robbins Library Professional Association;
- D. Local 1297, International Association of Firefighters;
- E. Arlington Police Patrol Officers' Association (formerly Arlington Patrolmen's Association);
- F. Arlington Ranking Police Officers' Association;
- G. M Schedule and non-union employees; and
- H. Full-time elected officials

Requested by:
(Inserted at the request of the Town Manager)

Report Excerpt:

Negotiations are still in process with several Town unions. If a settlement is achieved before the end of Town Meeting, the Finance Committee will bring that settlement before the meeting.

Original Vote Language: VOTED: That the sum of \$1,323,572 is hereby appropriated, to be set aside for funding future collective bargaining agreements, said sum to be raised by general taxes and said sum shall not be expended without a future vote of Town Meeting.

Updated Vote Language Below.

COMMENT: Negotiations are still in process with several Town unions.

that the FY23 Fire Department budget be increased by \$524,817, that the FY23 Library budget be increased by \$27,793 and that the following other FY23 department or fund budgets be increased by \$133,569 as indicated in this table:

Department	FY23 Δ
Select Board	\$5,860
Town Manager	\$13,108
Comptroller	\$2,795
Treasurer/Collector	\$2,547
Legal	\$9,236
Human Resources	\$6,498

This is the case for each department with staff in any of the settled unions as was laid out in last year's Town Meeting in Article 49.

Select Board

The Select Board decreased the Principal Clerk and Typist position from 1.0 FTE to .54 FTE for FY24.

Town Manager

Sandy Pooler will continue as Town Manager for one month's time in FY24, the equivalent of .08 FTE or 1 month / 12 months.

The Communications Coordinator was brought on in FY2023. In FY23 and FY24 this position is 100% offset by ARPA funds.

Information Technology

The IT department requested \$40K to cover the annual licensing cost for an Applications & Permits platform. Historically, when similar IT requests were for hardware their location in the Capital Plan made more sense. Now that these requests are software licensing costs, it makes sense for it to be covered by the operating budget.

Town Clerk + Elections

In FY24 there will only be two elections (Presidential Primary in March 2024 and Town in April 2024), a drop from the three elections in FY23 (September, November, April). The drop in elections is reflected in the drop in salaries needed for FY24.

Facilities

The FY24 Facilities Department budget is set to increase \$222,416 over FY23. This is due to the maintenance of the Central School, 23 Maple St., and Jefferson Cutter House now being done completely by the Facilities Department. This increase is also due in large part to paying for the costs of maintaining and operating the new DPW building, such as new and increased annual maintenance costs, and utilities (electricity and natural gas) specific to the renovated buildings housing IT and Inspectional Services.

DPW – Admin

The Recycling Revolving Fund Offset was reduced from .48 to .42 because it is a flat dollar offset (\$35K) and the Recycling Coordinator's salary increased \$9,446 after being reclassified.

DPW - Solid Waste

The FY24 budget request is up \$122,761 over FY23 due to contractual increases.

DPW – Cemetery

Both the offset and the maintenance have increased \$30K in FY24 to cover additional work being done next fiscal year.

DPW – Streetlighting

The FY24 budget for the electricity for streetlights is up \$20K. The electricity for these lights is paid for outside of the Town electricity contract and subject to market increases.

Police

The FTE for Parking Control Officers Fisher and Marquis were increased from .9 and .88 to 1.0 FTE. This was due in part to coming under the AFSCME union contract. Detention Attendant Santorelli increased from .6 to 1.0 FTE.

Fire

The Ambulance offset is down from what it would have been in FY24 (\$234,114) to \$100,000. This funding will come from the ambulance fund.

Inspections

In FY23, O'Brien was brought on at 31 hours or (.89 FTE), up from the 28 hours (.8 FTE) in the FY23 budget.

Director of Inspectional Services Mike Ciampa: FY23 salary, should have been MGMT Grade 2 Step 4. The FY23 budget listed Ciampa as Grade 2, Step 3. Ciampa will move to a Step 5 in FY24.

Librarians

Due to a restructuring of their contract, staff in the Librarian Union and who are a Grade 1 or 2 will stay at the same step in FY24 as they are in FY23.

\$22K for MLN licenses that has historically been in the capital plan has moved into the operating budget.

Health and Human Services

The HHS expense budget, "Rental of Buildings" line is down \$60K in FY24 because it is no longer paying to rent the building (Community Center) as the building is now being operated by the Facilities Dept.

HHS personnel is down \$51K because they are now paying for their second public health nurse through ARPA. Arlington shares this position with Belmont. Arlington receives 60% of this person's time.

Council on Aging

The COA expense budget, "Rental of Buildings" line is down \$60K in FY24 because it is no longer paying to rent the building (Community Center) as the building is now being operated by the Facilities Dept.

Council on Aging personnel is up in part because the Geriatric Nurse Clinician's hours have been increased from 30 to 32 hours and one of the receptionist's hours have been increased from 31 to 35.

Diversity, Equity, and Inclusion

The FY24 personnel budget for DEI appears to have a \$29,689 increase from FY23 to FY24. In fact, the ADA Coordinator and the Community Outreach Coordinator were both brought in at a higher grade than they were originally budgeted to be brought in at in the FY23 budget.

Planning and Community Development

In FY24, Claire Ricker is getting an increase of \$6K from her FY23 salary which was not part of the regular pay and classification plan. In FY24 she will begin following the standard grade and step system.

Recreation + Rink

The debt service needs to be changed in both of these budgets to reflect the amounts in the Capital Plan.

Council on Aging Transportation

We are no longer showing Michelle Tse in the budget because her salary is paid for from an outside fund.

AYCC

In FY23 the ARPA Offset for Crisis Intervention was used to pay the salary of Dana Rochman. This was \$34,835. This is no longer an offset in FY24. The FY24 FTE offset for Hourly Mental Health Clinicians is reduced to .23, down from .315.

Warrant Articles

Maintenance of Town Water Bodies – the Water Bodies Working Group, a group of the Conservation Commission, had reduced their FY23 ask to \$15K due to a large fund balance. The committee asked to have their FY24 budget returned to its previous amount of \$50K.

0114282 Revaluation

The Assessor has added this article to pay for the FY25 revaluation of properties in Town. The Department of Revenue (DOR) requires the Assessor have the funds for this process in hand a year prior.

FY'24 Arlington Inspections Department Budget

Arlington Finance Committee
February 2023

FY'23 Inspections Salaries & Expenses

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	\$ Change	% Change
0125181 INSPECTION SALARIES						
5100 SALARIES & WAGES	572,530	419,531	475,944	497,293	21,349	4.49%
5102 SALARIES & WAGES TEMP	1,190	510	6,000	6,000	0	0.00%
5103 OVERTIME	6,404	8,261	4,000	4,000	0	0.00%
5141 CLOTHING	500	750	750	750	0	0.00%
5156 LONGEVITY	13,672	4,814	3,195	3,539	344	10.77%
5160 STIPENDS	425	425	300	300	0	0.00%
0125181 INSPECTION SALARIES	594,721	434,291	490,189	511,882	21,693	4.43%
0125182 INSPECTION EXPENSES						
5213 TRAVEL	926	1,392	2,000	2,000	0	0.00%
5218 TRAINING	-	622	2,000	2,000	0	0.00%
5223 OFFICE SUPPLIES	6,282	4,457	4,200	4,200	0	0.00%
5249 REPS & MAINT:VEHICLES	665	2,527	3,000	3,000	0	0.00%
5299 OTHERWISE UNCLASSIFIED	-	-	-	-	0	-
5382 CONTRACTED SERVICES	-	7,893	4,000	4,000	0	0.00%
0125182 INSPECTION EXPENSES	7,873	16,891	15,200	15,200	0	0.00%
INSPECTION TOTAL	602,595	451,183	505,389	527,082	21,693	4.29%

5100 increases

- Director for full year.
- Zoning Assistant for full year.
- Record-Keeper increased from 14 hours per week to 31.

FY 2024 SALARY DETAIL			FY2024							FY2023	FY2024				
INSPECTIONS	Previous	Job	FTE	BU	Grade	Step	Step	Min	Max	Budget Book	New Pay	Base	Step	Longevity	Total
CIAMPA		DIRECTOR OF INSPECTIONAL SERVICES	1.00	MGMT	2	5	5	102,907	148,705	108,466	119,234	114,923	4,311	1,192	120,426
LEE		WIRE INSPEC / SUPR. OF WIRES	1.00	SEIU	8	8	8	63,301	84,783	81,904	81,904	81,904	0	819	82,723
WHITNEY	MCCONNELL	PLUMBING AND GAS INSPECTOR	1.00	SEIU	8	6	6	63,301	84,783	73,342	76,092	73,342	2,750	0	76,092
GELDART		LOCAL BUILDING INSPECTOR	0.51	SEIU	7	8	8	61,158	81,916	39,962	40,698	39,962	736	628	41,326
MEEHAN	CIAMPA	LOCAL BUILDING INSPECTOR	1.00	SEIU	7	7	8	61,158	81,916	77,704	77,704	74,896	2,808	0	77,704
CARROLL		ZONING ASSISTANT	1.00	OFFA	4	9	9	43,170	58,772	52,687	58,772	58,772	0	900	59,672
O'BRIEN	CONNORS	RECORD KEEPER-INSPECTIONS	0.89	OFNU	4	4	5	42,615	55,012	37,562	42,889	40,342	2,547	0	42,889
TAXATION TOTAL:			6.40							469,627	497,293	484,141	13,152	3,539	500,832

Issues

- **Vacancies**
 - None!
- **Automation**
 - Online permitting to launch this summer (through Town IT).
 - Should be much more efficient for both submitters and department personnel.
- **New Grove St. building**
 - Should move into the new building in about 2 months.
 - New space will be larger than what they had in the old building with a more efficient storage area.

Permit Revenues: FY20 – FY23 (estimated)

• Projections (FY20 – FY23)

- Permit Revenues increased by 27.5% even though number of permits increased by only 8%.
- Total project value increased by 26%.
- Expected significant reductions in construction during COVID lockdowns were more than offset by dramatic increases in home renovations.
- Effects of COVID construction increases appear to be levelling off.
- Permitting levels post-COVID are to be determined.

Inspectional Services	FY2020	FY2021	FY2022	FY2023	Change FY20 - FY23	
	Actual	Actual	Actual	Estimated	Units	%
Building	1,801	1,898	2,224	2,020	219	12.16%
Wiring	1,093	1,110	1,223	1,150	57	5.22%
Gas	662	613	642	575	-87	-13.14%
Plumbing	816	756	860	805	-11	-1.35%
Roof Mounted Solar	123	113	128	125	2	1.63%
Electric Vehicle Charger	23	16	41	28	5	21.74%
Energy Storage Systems	2	6	18	14	12	600.00%
Certificate of Occupancy	20	15	26	21	1	5.00%
Certificate of Approval	332	434	350	340	8	2.41%
Certificate of Inspection	57	29	63	45	-12	-21.05%
Beer and Wine License Inspections	29	32	32	37	8	27.59%
Pod Permits	36	27	32	28	-8	-22.22%
Dumpsters	100	58	355	275	175	175.00%
Residential projects exceeding \$200K building cost	49	68	121	90	41	83.67%
Total Permits	5,143	5,175	6,115	5,553	410	7.97%
Total Value	\$95,398,765	\$281,539,215	\$145,116,312	\$120,000,000	\$24,601,235	25.79%
Revenues	\$1,725,183	\$1,808,685	\$2,826,282	\$2,200,000	\$474,817	27.52%
Appropriation	\$514,211	\$602,595	\$451,183	\$505,389	-\$8,822	-1.72%
Appropriations to Revenues	3.36	3.00	6.26	4.35	1.00	29.75%

STUDY OF THE OFFICE OF THE TOWN CLERK

TOWN OF ARLINGTON, MASSACHUSETTS

EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT

JULY 2022

Edward J. Collins, Jr. Center for Public Management

McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES

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EXECUTIVE SUMMARY

The Town of Arlington retained, under a grant provided by the Commonwealth of Massachusetts Community Compact Program, the Edward J. Collins, Jr. Center for Public Management (Collins Center) to assess the organizational structure of its Town Clerk department.

The Collins Center Project Team (Project Team) conducted research into Commonwealth Town Clerks and their operation, in general; and Arlington's Town Clerk operation; in particular, through interviews with elected and appointed officials, reviewing documents provided by the Town, reviewing available data, and reviewing best practices and guidelines for certain operations. The Project Team developed findings through analyzing practices in comparable peer municipalities, conferring with the Secretary of the Commonwealth's Election Division and the Massachusetts Town Clerk's Association, and using other criteria described in this report.

The Project Team's assessment produced eight (8) General findings and eight (8) Arlington-specific findings. These findings are summarized in Table 1, *General Findings Summary*, and Table 2, *Arlington Findings Summary*. Findings in each section are further developed beginning on page 6 of this report.

The Project Team made no recommendations. This report is not referencing any specific individual, or individuals, or their performance. It is only intended to examine the similarities and differences in the structure and operations of the office of elected and appointed Town Clerks, as well as similarities and differences noted in Arlington, and its peer communities.

BACKGROUND

In 2021, and at the request of the current Town Clerk, Arlington Town Meeting appropriated funds *“to study options for conversion of the Town Clerk position from an elected to an appointed office; or take any action related thereto.”* The Finance Committee and Select Board both supported the study article, and it passed Town Meeting 133 to 93. The Arlington Town Clerk is currently an elected role according to the *Arlington Town Manager Act through Chapter 10 of the Acts of 2022*. Arlington Town leaders were interested in studying this issue in Arlington, as well as in comparison to other comparable towns in the Commonwealth, to consider the impact of changing the Town Clerk role to an appointed position. The Town of Arlington subsequently approached the Collins Center seeking a proposal for the study to present objective findings regarding the Town Clerk position. A Collins Center Project Team was assigned, and the project, which included five phases, began in April 2022.

PROJECT METHODOLOGY

The Collins Center was tasked with delivering a report presenting findings related to the status of the Town Clerk position including (but not limited to):

- perspectives of current elected and appointed officials on the strengths and weaknesses of the current approach,
- theoretical pros and cons of elected and appointed Clerk positions, and
- data on the status of the position in comparable Massachusetts towns.

Tasks included:

1. A Kick-Off meeting with the Project Team and Arlington Town Manager, department heads and other staff, which was held on Wednesday, April 27, 2022, to review project objectives, discuss the process to be followed, and finalize milestones and schedules for the project.
2. Collecting documents and data, during which time the Project Team worked with the Arlington Town Manager and others to identify and obtain all available and relevant documents, policies, prior reports, plans, records, and data as needed for the project. As a component of this task, the Project Team compiled and researched 34 demographically similar, neighboring and/or comparable towns and cities and examined other relevant reports, academic studies, and data useful for report development.

Thirty-four municipalities were reviewed in one of two categories: 1) a list of peer municipalities provided by the Town Manager and 2) Municipalities (including both cities and towns) with populations within 75%-125% of Arlington. Complete listings of municipalities with comparative data are in Appendices A and B.

3. Conducting 18 Interviews over a four-week period in May 2022, with Arlington department heads, staff, and elected and appointed officials. Specific interviews included the Town Clerk, Town Manager, Select Board members, Finance Committee Chair, Moderator, Deputy Town Manager/Operations, Public Information Officer, DEI Director, Human Resources Director, and Town Clerk Office Staff. The goal of the interviews was to ask questions to determine trends, patterns, and gather the perception of colleagues regarding Town Clerk responsibilities. It was not to evaluate any individual or current or past performance in the role of Town Clerk.
4. After reviewing all available information and completing the interviews, the Project Team worked to draft the report presented here. Additional interviews, information requests, and inquiries took place as needed during report development.
5. The final task was the submission of the report to the Town Manager and others as determined by the Town Manager.

COMMUNITY OVERVIEW



Community Profile

The Town of Arlington was originally settled over 350 years ago, in 1635, as a village under the name Menotomy. The birthplace of Uncle Sam, the location of the first public children's library, and the site of most of the fighting when the British marched through it returning from the Old North Bridge at the start of the Revolutionary War, Arlington has preserved many of its historical buildings and even recreated its Town common. In 1807, the Town and a section of what is now Belmont were set off from Cambridge and incorporated as West Cambridge. In 1867, the Town's name was changed to Arlington in honor of the heroes buried at Arlington National Cemetery in Arlington, Virginia. Arlington now is a town of

homes with little or no industry or agriculture, but at one time seven mills operated along Mill Brook and an ice industry thrived on Spy Pond. Once a thriving agriculture and mill town, Arlington is today an affluent suburban Town easily commutable to Boston.¹

Government

Arlington's executive branch consists of an elected five-member Select Board. The day-to-day operations are handled by a Town Manager hired by the Select Board. The legislative branch is a Representative Town Meeting, presided over by the Town Moderator, and is made up of 252 Town Meeting Members, 12 from each precinct, with one third elected each year. Annual Town Meetings begin in April on the first Monday after Patriots' Day and are held two nights a week until all items on the town warrant are resolved, and generally last three to four weeks.



Demographics

According to US Census 2016-2020 data, the Arlington population is comprised of 46,308 residents. The median age of residents is 40.7, which is slightly higher than the median Massachusetts age of 39.6. The race and ethnicity of residents are reported as 78.5% white, 12.9% Asian, 3% Black or African American alone, 5.2% Hispanic or Latino, and 4.5% as two or more races. The median household income is \$114,576, which is significantly higher than the Massachusetts median income of \$84,385. The median home value for owner-occupied homes (2016-2020) is reported as \$687,600.

Economy

Per the Massachusetts Department of Revenue (DOR) FY22 data, Arlington has a total assessed value of approximately \$12.5B, of which residential comprises 94.3% and commercial, industrial, and personal property (CIP) comprise about 5.7%. The single tax rate is 11.42%. The Town's total revenue receipts were \$190M in FY22. Of the total revenue, 75% is tax levy and State Aid contributes 12%.

Geography

Arlington covers 3,517.5 acres, or 5.5 square miles, of which 286.2 acres, or 0.4 square miles, are covered by water. There are 210.52 acres of parkland. Elevation ranges from 4 feet above sea level (along Alewife Brook) to 377 feet near Park Avenue and Eastern Avenue. Arlington borders on the Mystic Lakes, Mystic River, and Alewife Brook.

¹ Town of Arlington Web Page: History and Facts.

CURRENT TOWN CLERK STRUCTURE

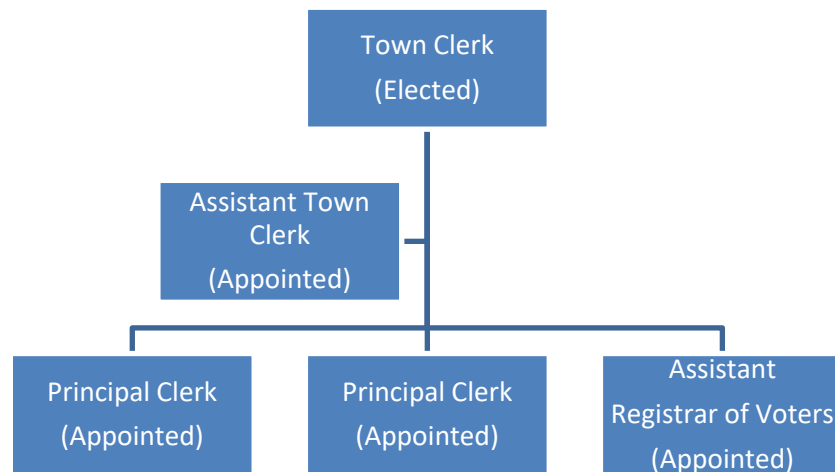
The Town Clerk is currently an elected position with a three-year term. The current incumbent was elected in 2020 and is in the second year of the term. The previous Town Clerk held the office for approximately nine years. Since 1975, there have been five elections for the position of Town Clerk with competition on the ballot. In these five elections, there was an open seat for Town Clerk preceding the election. There have been no elections with competition since 1975 when an incumbent has been present and running for re-election.

Organizationally, within the Town's structure, the position of the Town Clerk does not report to any individual and/or Board; because the role is currently an elected position, it is solely accountable to the voters. There are no set hours for the position and no written job description. The incumbent decides independently which and how many hours to work per week. The position is paid \$98,984 per year as of calendar year 2022.

As currently structured in the Arlington Town Clerk's office, the Town Clerk serves as the legal overseer of the Town Clerk's office and functions. The current Town Clerk also manages day-to-day operations, as well as a staff of four members. Staff includes an Assistant Town Clerk, two Senior Clerks, and an Assistant Registrar. Staff positions are union members and covered by a negotiated collective bargaining agreement. These four individuals have varied responsibilities for the day-to-day activities, functions, and workload of the Town Clerk's Office as determined by the Town Clerk.

As stated in Article 1, Section 4 of the Town Bylaws, the Town Clerk duties are to keep a record of attendance and complete stenographic record of proceedings at Town Meeting. In Article 3, the Bylaws further state that the Town Clerk is also the keeper of the Town Seal and its conveyances, responsible for the Annual Report, Notice to Committees, Report of Town Meeting Actions, and proper recordkeeping.

Office Organizational Chart



FINDINGS

Report findings fall into two categories: 1) General and 2) Arlington-specific operational trends and practices.

Table 1 and the first nine (9) findings are general in nature and represent the findings that the Project Team noted were common operational trends and practices across the 34 municipalities that were studied methodologically as a key component of this report. Table 2 and findings 10 through 17 are Arlington-specific and represent the findings that the Project Team noted methodologically were operational trends and practices specific to the Arlington Town Clerk's Office that were also studied as a key component of this report. In this report, the term "Municipal" Clerk is used to refer to general Clerk findings in the Commonwealth. The term "Town" Clerk is used when the report makes a specific reference to the Arlington Town Clerk and/or other specific Town Clerks.

GENERAL FINDINGS

Table 1

Page	General Findings
7	Finding 1 – The Municipal Clerk role has minimal policy-making responsibility. It is a complex ministerial and administrative position subject to local, State, and Federal policies, statutes, and regulations.
7	Finding 2 – The Municipal Clerk position is a highly responsible role in which someone with little training or expertise in its area of work may have difficulty performing the work effectively until training occurs.
8	Finding 3 – Municipal Clerks, to function appropriately, and succeed in this complex management, customer service, and administrative role should possess a reasonable minimum level of Education/Experience, knowledge, abilities, and skills; or those that are similar including these suggested human resource guidelines.
8	Finding 4 - More than two-thirds of the 34 municipalities reviewed by the project team have appointed Municipal Clerks.
10	Finding 5 - There is no evidence that the impartiality of Municipal Clerks in managing the election process is affected by the method of selection.
10	Finding 6 - There is no evidence of municipalities in the Commonwealth changing from appointed to elected Municipal Clerks. All recent changes have been from elected to appointed.
11	Finding 7 - It is best practice for Municipal Clerks to serve as Public Records Access Officer for purposes of Massachusetts public records law compliance.
11	Finding 8 - It is common practice for Municipal Clerks to coordinate the posting of meeting agendas and minutes for all Town boards and committees for purposes of Massachusetts public meeting law compliance.
11	Finding 9 – In all 10 peer municipalities studied, the Municipal Clerk recruits, trains, and schedules elections workers to support their town precincts for local, State, and Federal elections. This has not been the case in Arlington for many years; and the responsibility only returned to the Clerk's office in April 2022.

FINDING 1 – The Municipal Clerk role has minimal policy-making responsibility. It is a complex ministerial and administrative position subject to local, State, and Federal policies, statutes, and regulations.

The Municipal Clerk role is less of a policy-setting position and more of a facilitator for information transfer, record keeper, enforcer of procedures, and conductor of fair elections. It is largely a statutory position, legislated by MGL Ch. 41, Sec. 15. The Municipal Clerk is charged with recording all votes of Town Meeting, administering oath of office, and overseeing elections. Other statutory duties include dog licensing, violation fee collection, maintenance of vital records, meeting notice postings, issues various permits and certificates, and administration of the annual Census. Most Clerks serve as the Custodian of Town Records, as ex officio member of the Board of Registrars, as a Notary Public, as a Records Access Officer, and Keeper of the Town Seal.

This position is administrative, and requires thorough knowledge of applicable state, local, and federal statutes and regulations related to the duties and responsibilities of the Municipal Clerk's office. This includes knowledge of Open Meeting, Public Records, Election, and Campaign Finance Law.

In contrast to this general finding, a few interviewees did state their differing opinion that the Arlington Town Clerk has participated in policy development. The most common example cited was that the Arlington Town Clerk participated in a recent re-precincting process, which was a local policy-making project, and may have influenced the outcome. However, the Project Team believes that, even though the Arlington Clerk recently participated in the re-precincting process, the policy-making role remained squarely with the Select Board as they were the entity who voted to set the new boundaries, while the Town Clerk was a part of the administrative process. This is in keeping with the Clerk's responsibility for developing and implementing procedures, which are administrative tools used to carry out policy dictates. They are not themselves the policy.

FINDING 2 – The Municipal Clerk position is a highly responsible role in which someone with little training or expertise in its area of work would have significant difficulty performing the work effectively until training takes place.

Much of the responsibilities born by any Municipal Clerk are established by the Secretary of State's Office and by innumerable state laws and regulations. The statewide Town Clerk's Association cites 73 separate chapters and 451 different sections of the General Laws which help to define the role of the Town Clerk.² These duties generally do not vary from one town to the other. However, all Clerks must be familiar with the specific administrative by-laws, general by-laws, charters and/or special acts under which their town operates.

To adequately perform the duties of this position, Clerks must previously possess or be able to rapidly acquire the technical knowledge pertaining to the MGL statutes and by-laws mentioned above as well as the by-laws of their local community. Thus, individuals who have performed the role of Town Clerk or Assistant Town Clerk, served in other municipal offices, or those with a background in complex administrative management, supervisory skills, customer service, communications and/or complex recordkeeping are most likely to possess the skills necessary to succeed at the job. Equally important, however, will be the individual's problem-solving skills, ability to relate professionally with the public, strategic thinking capacity, and interpersonal aptitude. These four skill areas are essential to the successful discharge of the Clerk's duties, because this office is required to relate to all the other offices and function areas within the local municipality and with the public simultaneously.

² Massachusetts Town Clerks Association data

FINDING 3 – Municipal Clerks, to function appropriately, and succeed in this complex management, customer service, and administrative role should possess a reasonable minimum level of education and experience, knowledge, abilities, and skills; or those that are similar including these suggested human resource guidelines.³

Upon review of numerous Municipal Clerk job postings listed on the Massachusetts Municipal Association (MMA) website over the past year, the Project Team noted that most municipalities who are hiring appointed Clerks are seeking the following minimum level of Education and Experience, General Knowledge, Abilities and Skills in the candidate pool.

Education and Experience - A bachelor's degree and/or experience as a Municipal Clerk, Assistant Clerk, or a position with similar responsibilities. Certification as a Certified Massachusetts Town Clerk or intention to pursue this credential, once eligible, is helpful. The ability to be bonded and remain bonded during the entire tenure in the position and the position requires that commission as a notary public or to obtain notary commission within a timely manner is necessary.

General Knowledge - The Municipal Clerk position requires a thorough knowledge of applicable state, local and federal statutes and regulations related to the duties and responsibilities of a Clerk's office. These include a working knowledge of Open Meeting Law, Public Records Law, State Ethics Law, and Federal and State Election Law and procedures. The Clerk position requires personnel management skills and a working knowledge of office procedures and practices.

Abilities - The Clerk must have the ability to establish and maintain effective and harmonious working relationships with town officials and departments, state agencies and the public. The position requires considerable ability to communicate effectively in written and oral form. The Clerk position requires the ability to establish and maintain complex record keeping systems. The Clerk must have good organizational skills, be detail oriented, and take independent initiative. The Clerk must be able to plan work ahead of time, handle multiple tasks, prioritize effectively, and meet strict deadlines. The Clerk must be able to work effectively in high-pressure situations, as necessary.

Skills - The position requires proficient technology skills working with laptops/PCs as well as Microsoft Office products (Word, Excel, and Access). Skills and experience working with specialized software, Voter Registration Information Software (VRIS), applicable word processing and spreadsheet applications skills is necessary. Excellent customer service skills are required.



FINDING 4 – More than two-thirds of the 34 municipalities reviewed by the project team have appointed Municipal Clerks

The Project Team reviewed the status of Municipal Clerks from three perspectives.

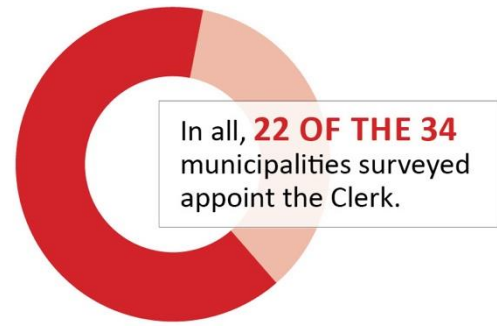
First, the Project Team looked at the list of 10 peer municipalities that Arlington often uses for comparative purposes.⁴ Five of the 10 Peer

Municipalities have appointed Clerks; one is considering moving from elected to appointed, and two recently attempted unsuccessfully to change from elected to appointed. The City or Town Manager make all of these Clerk appointments.

³ Suggested qualifications for 10 recent Town Clerk job postings on Massachusetts Municipal Association website

⁴ See Appendix A

Second, the Project Team looked at the 23 Massachusetts municipalities with populations within 75%-125% of Arlington. Seventeen have appointed Clerks.⁵ The method of appointment varies in this group, with most (11 of 17) appointed by City or Town Councils and 6 appointed by a City or Town Manager or Select Board. In all, 22 of the 34 municipalities surveyed appoint the Clerk.



Finally, the Project Team conferred with the Elections Division of the Massachusetts Secretary of State's Office to identify statewide statistics. The information provided shows that 153 of the 351 municipalities in Massachusetts have appointed Municipal Clerks.⁶

From this data, the Project Team inferred that appointed Clerks are more common in municipalities that are of similar size to Arlington than in the State as a whole. Furthermore, since only 2 of the 22 municipalities⁷ with population greater than 125% of Arlington have elected Clerks, it is clear that elected Clerks are far more common in smaller towns.⁸



⁵ See Appendix B

⁶ See Appendix C

⁷ Massachusetts Department of Revenue 2020 population statistics

⁸ Massachusetts Department of Revenue 2020 population statistics and Appendix C data

FINDING 5 – There is no evidence that the impartiality of Municipal Clerks in managing the election process is affected by the method of selection.

Some of the interviewees suggested that independently elected Clerks are likely to be more impartial in running elections, lessening the potential for fraud and abuse, and providing greater public confidence in election results. They contended that appointed Clerks who must report to a supervisor may be subjected to undue influence. Other interviewees suggested the opposite. They contended that when the Clerk is elected and supervising their own election that impartiality is difficult to maintain, and that appointed Clerks are impartial because they are not involved in electoral politics.

While there is no way to prove that either is false, the Project Team attempted to identify any documented case of election misconduct. Five cases of alleged election misconduct were identified after checking with a variety of sources including experienced colleagues, the Massachusetts Town Clerk's Association, and the Secretary of State's Office. The Secretary of State's Election Division reported they have investigated approximately five allegations of election mishandling at the local level under *MGL Chapter 56, Section 60*, in the past five years. The five allegations that the Secretary of State's Election Division investigated occurred under the leadership of both elected and appointment Clerks. Notably, none questioned the Clerk's objectivity. Instead, they were found to be a result of a lack of knowledge, resources, or training.

FINDING 6 – There is no evidence of municipalities in the Commonwealth changing from appointed to elected Municipal Clerks. All recent changes have been from elected to appointed.

The Project Team checked with a variety of sources, including experienced colleagues, the Massachusetts Town Clerks' Association, and the Secretary of State's Office to identify any municipality that has converted an appointed Clerk to an elected one. Although not an exhaustive survey, it failed to identify any such change. Given that the Project Team has identified several Clerk positions that have changed or recently attempted to change from elected to appointed; it is clear the trend in Massachusetts is towards appointed Clerks. The Secretary of State's Election Division confirmed that the trend is toward appointed Clerks. They stated the reasons as the increasing complexity of the position in the areas of elections, open meeting laws, and public records compliance. Finally, they have not documented any cities or towns who have changed from appointed to elected, nor do they have a process by which to do so as the issue has never occurred.

MGL Chapter 41, Section 1, states that *"every town at its annual meeting shall in every year when the term of office of any incumbent expires, and except when other provision is made by law or by charter, choose by ballot from its registered voters the following town officers for the following terms of office: a town clerk for the term of one or more years..."* This law is the default standard by which municipalities choose/elect their Clerks.

An alternative is provided in MGL Chapter 41, Section 1B, which states that, *"Any office or board, except the board of selectmen and the school committee, elected under the provisions of section 1 may become an appointed position or board by a majority vote of the annual or special town meeting and acceptance by the voters of the town at the annual town elections; provided, however, that any vote by a special town meeting taken under the provisions of this section shall take place at least 60 days prior to the acceptance of the voters at the annual town election...Such acceptance by the voters shall be in the form of the following question, to be placed on the official ballot:*

Shall the town vote to have its elected (Title(s) of office or board) become an appointed (Title(s) of office or board) of the town? Yes ____ No ____

If a majority of votes cast in answer to said question is in the affirmative, said office or board shall become appointed in accordance with the provisions of this section.

Finally, there is presently no corollary for undoing MGL Chapter 41, Section 1B once a municipality has followed the process of the law above as it has never, to the best of the project team's research, ever been requested in the Commonwealth.

FINDING 7 – It is best practice for Municipal Clerks to serve as Public Records Access Officer for purposes of Massachusetts public records law compliance.

The Clerk serves as the Public Records Access Officer in 8 of the 10 peer municipalities. In the opinion of the Project Team, this is considered best practice as the Clerk is the custodian of many official records, and this responsibility is consistent with other recordkeeping duties. For example, Section 6. Record Keeping of the Arlington town by-law states, *“It shall be the duty of the Town Clerk to properly record, file, and index all contracts, agreements, releases, bonds, deeds and all other papers and documents in any way affecting the interests of the Town when filed with them, and all such papers and documents unless otherwise required by law, shall be so filed by all boards, officers and committees at such time as the work to which such papers or documents pertain, shall have been completed.”*

In addition, across the Commonwealth, Clerks have responsibility to keep records of vital statistics, elections, and Town Meeting actions. Further, the Massachusetts Public Records Law is administered by the Secretary of the State’s Office with whom Clerks must work closely in several areas. Additionally, notices of appeal and lawsuits are routinely filed with the Clerk as keeper of the records. Finally, the Massachusetts Town Clerks Association stated in an interview with the project team that they believe the majority of the Clerks who participate in the Association serve as their town’s Public Records Access Officer. They believe it is in keeping with the intention of MGL Records Law and it makes sense for local Clerks to absorb this role because they understand recordkeeping and the complexity of the issue.

FINDING 8 – It is common practice for Municipal Clerks to coordinate the posting of meeting agendas and minutes for town boards and committees for purposes of Massachusetts Open Meeting Law compliance.

The Project Team contacted the peer municipalities listed in Appendix A. All the 10 peer municipalities contacted stated that their Clerk coordinates some or all the posting of meeting minutes and agendas for their town boards and committees for the purpose of compliance with Massachusetts Open Meeting law. Eight of 11 of the Clerks polled take full responsibility for date stamping, posting both online and physical copies of agendas and minutes, and public records-compliant filing. Three towns, including Arlington, noted they are a “part of the process” and share certain components with other municipal departments.

FINDING 9 - In all 10 peer municipalities studied, the Municipal Clerk recruits, trains, and schedules elections workers to support their town precincts for local, State, and Federal elections. This has not been the case in Arlington for many years; and the responsibility only returned to the Clerk’s office in July 2022.

It is interesting to note that, while all the 10 peer municipalities listed in Appendix A, contacted by the Project Team stated that their Clerk manages the full responsibility for recruiting, training, and scheduling election workers to support the precincts, the Arlington Clerk’s office has not historically handled this component of election coordination. It has been managed, instead, by the Select Board Office. Many interviewees noted that this division of election responsibilities does not best utilize the skills of the Clerk’s office and diverts the Select Board staff from other responsibilities.

The recruiting, training, and scheduling of election workers has recently returned to the Clerk’s office, under the guidance of the current Clerk, who stated that “the office has assumed full election worker responsibility as of April 2022.” The Project Team also believes that it makes sense for the Clerk to have responsibility for the full suite of election responsibilities, including election worker staffing. Previously, in Arlington, elected Clerks did not manage this responsibility, which, as noted above, is a matter of best practice in peer communities. It is possible, this situation may have been changed to reflect best practice and align with peer communities sooner under the guidance of an appointed clerk.

ARLINGTON FINDINGS

Table 2

Page	Arlington Findings
12	Finding 10 - The complexity of the Arlington Town Clerk role has increased well beyond the duties outlined in the Arlington By-Law due to several factors.
13	Finding 11 - In Arlington, election for the Town Clerk position historically produces little or no competition, which reduces the voters' choice and decreases the candidate pool as a Town Clerk candidate must be an Arlington resident.
15	Finding 12 – Low voter turnout and the complex nature of the position make it relatively difficult for the public to evaluate the performance of Town Clerk duties.
15	Finding 13 - It is important for the effective functioning of Town government that the Town Clerk interact and cooperate regularly with other Town officials.
16	Finding 14 - The Arlington Town Clerk's Office has been slow to adopt technology to aid in record keeping and customer service.
16	Finding 15 - The performance of the Town Clerk's office was generally and historically described as adequate by a majority of those interviewed.
17	Finding 16 - The process to replace an elected Town Clerk, per the Arlington Town Manager Act, is inherently different than the process to replace an appointed Town Clerk.
18	Finding 17 - The Arlington Town Clerk is not responsible for public records or open meeting law compliance.

FINDING 10 – The complexity of the Arlington Town Clerk role has increased well beyond the duties outlined in the Arlington By-Law, due to several factors.

These factors include the expansion of public records and open meeting laws, the prevalence of technology used in providing customer service, the expansion of voting to include early and mail-in voting, and the expansion in voter registration opportunities such as motor-voter laws.

While the Arlington By-Law conveys the basic responsibilities of the Arlington Town Clerk, stating the following in Article 3, of the *General Government* section of the Town of Arlington By-Law,

Section 1. Town Seal - The Town Clerk shall have the custody of the Town Seal.

Section 2. Conveyances - All conveyances under seal, which may hereafter be executed by the Town, pursuant to a vote of the Town, or otherwise, shall be sealed by such seal and subscribed by a majority of the Select Board.

Section 3. Annual Report - The Town Clerk shall make a full index of all reports and prepare a report upon the vital statistics of the Town for publication in the Annual Town Report.

Section 4. Notice to Committees - It shall be the duty of the Town Clerk to immediately notify in writing all members of committees who may be elected or appointed at any town meeting stating the business upon which they are to act and the names of the persons composing the committees.

Section 5. Report of Town Meeting Actions - It shall be the duty of the Town Clerk, immediately after every town meeting, to furnish the Town Accountant and the Board of Assessors with a statement of all appropriations made by the Town at such meeting, and the purpose for which such appropriations were made and the manner of raising the same. They shall also notify all boards, officers and committees of all votes passed at any town meeting in any way affecting them.

Section 6. Record Keeping - It shall be the duty of the Town Clerk to properly record, file, and index all contracts, agreements, releases, bonds, deeds and all other papers and documents in any way affecting the interests of the Town when filed with them, and all such papers and documents unless otherwise required by law, shall be so filed by all boards, officers and committees at such time as the work to which such papers or documents pertain, shall have been completed.

The By-Law does not capture the extent of the role today due to the increasing complexity of municipal law and standards surrounding elections, open meetings, vital and other public recordkeeping, reporting standards, and more. In addition to learning and complying with these increasingly complex laws, the Clerk must also understand technology and how to utilize it in all the areas noted above.

As routinely noted in online MMA job postings by municipalities seeking to hire a Municipal Clerk and in a discussion with a Massachusetts Town Clerk's Association board member, today's Clerk responsibilities include vital recordkeeping for births, marriages, and deaths, the administration and issuance of various local licenses and official Town documents, management of the Town census, the direction of election preparation, activities, and reporting, as well as Town Meeting preparation and management. The Clerk must exercise independent judgment and initiative in the planning, administration, and execution of the services of the Clerk's office, and in the interpretation and application of laws, regulations, and procedures relevant to them. These services must be provided both in person and online and require a high degree of skill.

Additionally, the Arlington Town Clerk Office tracked statistics in 2021, which by sheer volume of work, also appear to support this finding that the Town Clerk's role in Arlington has increased beyond what is listed in the Town By-Law. In 2021, the Town Clerk held responsibility for managing the functions listed above for a resident population of 45,617 people and coordinated elections for 31,982 registered voters and 21 voting precincts. Additionally, the Town Clerk was responsible for managing the office staff and functionality of processing 425 birth records, 150 marriage records, 365 death records, 2,935 dog licenses and 150 business certificates/other licenses.

FINDING 11 – In Arlington, election for the Town Clerk position historically produces little or no competition, which reduces the voters' choice and decreases the candidate pool as a Town Clerk candidate must be an Arlington resident.

Competition for an elected office involving a full-time work schedule is rare once an open seat is filled. The Project Team has determined that this is also true of Arlington. The current Town Clerk reported the following election statistics:

- There have been five contested elections for Arlington Town Clerk since 1975 (a period of 47 years);
- In each contested election, there was an open seat (or, in other words, no incumbent candidate was running for reelection); and
- There have been no instances of competitive Arlington Town Clerk elections when the incumbent candidate was on the ballot.

The Project Team determined via interviews with municipal officials that these uncontested elections function more as "votes of confidence," while the far rarer contested elections are generally decided based more so on popularity and

effective campaigning as opposed to candidate qualifications. As a result, there is little to no vetting of such qualifications for this position.

Town Clerk Electoral History			
Year	Candidates	Positions	Comp?
1975	4	1	Yes
1978	1	1	No
1981	1	1	No
1984	2	1	Yes
1987	1	1	No
1990	1	1	No
1993	1	1	No
1994	3	1	Yes
1996	1	1	No
1999	1	1	No
2002	1	1	No
2005	1	1	No
2008	1	1	No
2011	2	1	Yes
2014	1	1	No
2017	1	1	No
2020	3	1	Yes
Competitive Races:			5⁹

When considering applicants for appointed positions, relevant experience, education, certification, and other comparable criteria are used to scrutinize candidates and determine the best fit for a given position. In an elected system, the same degree of scrutiny is not possible due to the limited choices of voters and those who elect to compete for such a position. As a result, scrutinizing candidates becomes difficult and often, in the case of non-competitive elections, not done at all. Arlington's past 17 elections for Town Clerk have been competitive less than 30% of the time. While neither system can guarantee that qualified and competent candidates will be selected, there is no way to prevent unqualified or ill-prepared candidates from being elected if they are the only choice voters have in historically uncompetitive elections.

Any meaningful vetting of skilled candidates requires an applicant pool of sufficient size. Limiting the size of the pool by confining it to the population of a particular jurisdiction creates a competitive disadvantage in seeking talent. When recruiting for a position that requires a specific and technical expertise, such as a chief election officer or town clerk, that disadvantage can become more acute. When a position is elected, the pool is limited to the voting age population of any given municipality. According to American Community Survey (ACS) data, Arlington alone had a *civilian labor force* of 26,583 in 2020. Theoretically, this approximates the maximum potential pool of candidates for any elected position in the Town. Should the applicant pool be expanded to just Middlesex County (let alone the full Greater Boston area) the civilian employed population aged 16 and over contains approximately 888,786. As obvious as it seems, Arlington's pool of potential town clerks is significantly smaller than the Middlesex County pool by comparison. ACS estimates Arlington's pool of those currently serving in the *professional, scientific, and technical services* occupations (NAICS Code 54)¹⁰ amounts to just 6,229. The same talent pool of such occupations in Middlesex County is approximately 170,341. By expanding the

⁹ All competitive races for Town Clerk occurred when the incumbent was not seeking re-election

¹⁰ NAICS Code 54 was chosen as it appears to most broadly coalesce with the skills and background education and experiences required to fulfill the duties of a town clerk. Within the framework of this industry sector are those involved in legal services and administrative management. While this framework broadly includes other technical fields and hard sciences, it is used as a general guide to indicate the comparatively limited nature of candidates for Arlington Town Clerk should candidates be required to reside within the Town exclusively.

eligibility of these positions to those within commuting distance, the potential pool of candidates expands dramatically and can ensure a sufficient number of applicants to be properly vetted.¹¹

FINDING 12 – Low voter turnout and the complex nature of the position make it relatively difficult for the public to evaluate the performance of Town Clerk duties.

Town election data provided by the Arlington Town Clerk’s office illustrates the concern that low voter turnout makes it difficult for the public to evaluate the performance of the Clerk’s varied and complex duties, which are noted throughout this report. Although like other municipalities’ voter turnout percentages in the Commonwealth, it is concerning that the majority of Arlington’s registered voters have not voted in the past five elections. The highest rate of participation occurred in 2020

Town Election Data: 2018-2022		
Election Year	Number of Voters	Percentage of Register Voters
2022	4,755	14.81%
2021	6,341	19.69%
2020	11,251	35.12%**
2019	6,158	19.87%
2018	4,853	15.86%

*Vote by mail during the pandemic and postcard was mailed to request ballot increased turnout.

*Last election with Office of the Town Clerk on the ballot.

While a local effort is made to educate voters, generally voters make their judgments about candidates based on how the candidates choose to articulate their views on the office. Local efforts to share candidate information with voters include League of Women Voters of Arlington (LWVA) booklet with candidates’ responses to questions posed by voters and an LWVA Candidate night-forum for town-wide offices that is broadcast by local cable. An Arlington volunteer-run news site, YourArlington.com also posts candidates statements. Additionally, Arlington Community Media, Inc. records candidate statements and hosts debates for contested town wide offices. Many candidates for local office utilize mailings to targeted groups of voters, create website, host in-person and Zoom meetings, and utilize social media. None-the-less, the information remains candidate driven and, understandably, meant to cast the candidate in the best light. A process that does not necessarily focus on job performance.

FINDING 13 – It is important for the effective functioning of Town government that the Town Clerk interact and cooperate regularly with other Town officials.

Ten of the 18 interviewees expressed the view that having a Town Clerk who is connected to the rest of the management team of the town is important for the effective functioning of local municipal government and sustaining healthy professional relationships including communication with other department heads, co-workers, and customers. Four interviewees expressed that they prefer the Arlington Town Clerk remain independent of the rest of the Town Hall management team, and four did not offer an opinion on this matter.

The interviewees who noted that it is important for the Town Clerk to interact and cooperate regularly with other town officials cited the following reasons:

¹¹ *Arlington, MA & Middlesex County Economic Data*. American Community Survey. Accessed July 11, 2022. data.census.gov.

- Create an environment where colleagues feel comfortable asking for information and/or assistance and improve cross-department communication;
- Improve staff functionality across departments and standardize technology use and other Clerk services;
- Hold Town Clerk and the Clerk's office staff to the same standard as other municipal departments, which creates equity in the workplace;
- Lead to better Town Hall efficiency and integration in the daily administration of municipal services;
- Build accountability, camaraderie, and interaction with other municipal departments.

FINDING 14 – The Arlington Town Clerk's Office has been slow to adopt technology to aid in record keeping and customer service.

While the majority of those interviewed noted that the adoption, and use, of technology is improving under the direction of the current Town Clerk, they also almost universally stated that technology has historically lagged current Arlington municipal standards deployed in other departments. Technology use and advancement has also, interviewees noted, varied and been dependent upon who holds the Town Clerk position at a given time.

The Project Team researched the Arlington Town website. Most Arlington Town Hall departments historically have, and still do, offer a full suite of online bill pay options for residents including personal property taxes, motor vehicle taxes, parking tickets, water and sewer bills, school fees, and real estate taxes. The Town Clerk's office has lagged in this area with the office beginning to offer online ordering and payment options in two customer service areas: dog licenses and vital records requests, as of July 2022. The Town Clerk's office does also provide a link on their Town website page to download other appropriate applications, including business certificates (DBA's) and mail them in or visit the office to complete them.

Additionally, the Project Team also documented concerns from many interviewees that recordkeeping itself needs to be digitized and/or organized for the efficient storage of both historic and vital records. The current Clerk noted that there are numerous records currently manually stored in the basement of the Town Hall, which makes it difficult to respond to public records and customer service requests in a timely manner.

FINDING 15 – The performance of the Town Clerk's office was generally and historically described as adequate by a majority of those interviewed.

It was acknowledged by a majority of those interviewed that most essential functions of the Town Clerk's office are being accomplished and legal requirements are being met under the guidance of the current Town Clerk. It was also described, however, by nine interviewees, that the Town Clerk's performance has historically been "adequate" across the numerous Clerks elected since 1975, and that competency has been very dependent upon who is holding the office at a given time. Interviewees noted areas of concern, including the need to advance technology, offer online services for Town Clerk services, and improve recordkeeping of historic records, vital records, legal filings and more. Other concerns noted by interviewees included the need for increased delineation of daily responsibilities and cross-training of Town Clerk and staff responsibilities. The majority of those interviewed noted that customer service at the counter and via telephone are well handled. Finally, almost 100% of those interviewed noted that, under the guidance of the current Town Clerk, areas of concern are improving.

FINDING 16 – The process to replace an elected Town Clerk, per the Arlington Town Manager Act, is inherently different than the process to replace an appointed Town Clerk.

The Arlington Town Clerk is currently elected for a three-year term and accountable to the voters at an election. There is no way to remove the Town Clerk without a voluntary resignation or retirement except a recall election. Recall elections are purposefully difficult to ensure that elected officials are only recalled for good cause. Of course, the Clerk could choose to resign, and a special election would be held. The details regarding the potential recall of an Arlington elected official, including the Town Clerk, can be found in the *Arlington Town Manager Act through Chapter 10 of the Acts of 2022, Sections 36 – 44*. The Act states:

SECTION 36. Holder of an Elective Office may be recalled.

Any holder of an elective office may be recalled therefrom by the registered voters of the Town as herein provided.

SECTION 37. Recall Petition, Preparation, Filing.

Any fifty registered voters of the Town may file with the Town Clerk an affidavit containing the name of the officer sought to be recalled and a statement of the grounds for recall. The Town Clerk shall thereupon deliver to said voters making the affidavit copies of petition blanks demanding such recall, printed forms of which the Town Clerk shall keep available. The blanks shall be issued by the Town Clerk with the signature and official seal attached thereto. They shall be dated, shall be addressed to the Select Board, and shall contain the names of the fifty persons to whom they are issued, the name of the person whose recall is sought, the grounds of recall as stated in the affidavit, and shall demand the election of a successor in said office. A copy of the petition shall be entered in a record book to be kept in the Office of the Town Clerk. The recall petition shall be returned and filed with the Town Clerk within twenty days after the filing of the affidavit and shall have been signed by at least twenty per cent of the registered voters of the Town, who shall add to their signatures the street and number, if any, of their residences.

The Town Clerk shall submit the petition to the Registrars of Voters in the Town, and the Registrars shall forthwith certify thereon the number of signatures which are names of registered voters of the Town.

SECTION 38. Removal and Election - *If the petition shall be found and certified by the Town Clerk to be sufficient, the Town Clerk shall submit the same with said certificate to the Select Board without delay, and the Select Board shall forthwith give written notice of the receipt of the certificate to the officer sought to be recalled, and shall, if the officer does not resign within five days thereafter, thereupon order an election to be held on a Tuesday fixed by them not less than twenty-five nor more than thirty-five days after the date of the Town Clerk's certificate that a sufficient petition is filed; provided, however, that if any other town election is to occur within sixty days after the date of the certificate, the Select Board shall postpone the holding of the recall election to the date of such other election. If a vacancy occurs in said office after a recall election has been ordered, the election shall nevertheless proceed as provided in this act.*

SECTION 39. Nomination of Candidates - *The question of recalling any number of officers may be submitted at the same election. But as to each officer whose recall is sought there shall be a separate ballot. The nomination of candidates to succeed an officer whose recall is sought, the publication of the warrant for the recall election and the conduct of such election shall all be in accordance with the provisions of the General Laws applicable thereto.*

SECTION 40. Ballots - *Ballots used in a recall election shall submit the following propositions in the order indicated: Against the recall of (name of officer). For the recall of (name of officer).*

Immediately at the right of each proposition there shall be a square in which the voter, by making a cross mark (X), may vote for either of the said propositions. Under the proposition shall appear the word "Candidates," the directions to voters required by section four of chapter fifty-four A of the General Laws, and beneath this the names of candidates nominated as hereinbefore provided.

SECTION 41. Election - *If a majority of the votes cast on the question of recalling an officer shall be against their recall, they shall continue in office but subject to recall as provided in this act. If a majority of such votes be for the recall of the officer designated on the ballot, they shall, regardless of any defects in the recall petition be deemed removed from office. When an*

officer is recalled from office, the candidate to succeed the officer recalled shall be determined in accordance with the provisions of General Laws applicable thereto.

SECTION 42. Election in Event of Resignation - *If an office in regard to which a sufficient recall petition is filed becomes vacant before the ballots are printed, the election shall be held as hereinbefore provided, except that the title of the ballot shall be "Town Election", that the propositions in regard to the recall shall be omitted from the ballot, and that above the names of the candidates there shall appear on the ballot the words "Candidates to succeed (Name of officer) resigned." (If they resigned their office.)*

SECTION 43. Subsequent Recall - *No recall petition shall be filed against an officer within three months after they take office, nor in the case of an officer subjected to a recall election and not recalled thereby, until at least three months after the election at which their recall was submitted to the voters of the Town.*

SECTION 44. PERSON RECALLED NOT TO BE APPOINTED TO ANY TOWN OFFICE WITHIN TWO YEARS - *No person who has been recalled from an office, or who has resigned from office while recall proceedings were pending against them, shall be appointed to any town office within two years after such recall or such resignation.*

In contrast, the process to remove an Appointed Town Clerk would follow standardized human resources protocol that the Town, as managed by the Town Manager and Human Resources Director, follow uniformly with all department heads and staff. Routinely, Human Resources strategies and steps include determining employee goals and benchmarks, regular employee reviews, counseling as needed, multiple verbal and written warnings, and, making every possible effort to resolve an issue before an employee is removed from office. An Appointed Clerk would be held to the same standards as other department heads and have a clear reporting structure.

FINDING 17 – The Arlington Town Clerk is not currently responsible for public records access or open meeting law compliance.

As noted in General Finding 7 above, the Clerk serves as the Public Records Access officer in eight of the 10 peer communities surveyed, which is commonly considered best practice for the reasons also noted in General Finding 7. In Arlington, the Town Clerk is not currently serving as the Public Records Access officer. The Deputy Town Manager-Operations is responsible for this role for the Town. Five of those interviewed stated that it makes sense that the Town Clerk take this role because it is consistent with other Town Clerk duties; and the Town Clerk is intended to be the keeper of the town's records. General concern was expressed that, by carrying this responsibility, the Deputy Town Manager-Operations has less time to manage other important Town matters more consistent with the duties of the Town Manager's office.

Additionally, the Arlington Town Clerk does not presently assume full responsibility for following Open Meeting Law compliance in the posting of public meeting agenda and minutes in accordance with Massachusetts Public Meeting Law. The current Town Clerk stated that the job is distributed to various Town staff who work with specific boards and committees and that the official postings are to the Town website not the Town Clerk bulletin board. The Project Team reached out to the peer communities and, in 8 of the 10 peer communities, the Clerks stated they assume full responsibility for the compliant positing of public meeting agendas and minutes. The Project Team believes it is in the best interest of a local municipality to assign this responsibility to one entity within the town of Arlington to ensure process consistency and compliance with MGL.

APPENDICES

APPENDIX A

Peer Municipalities Provided by the Town of Arlington for Comparison

Towns	Proximity to Arlington (Miles)	Pop Density in sq mi	Pop DLS 2020	Per Capita Income	# of Voters	Govt Form	Elect vs. Appt	Chief Election Officer	Public Records Officer	Posting agendas, minutes for town boards	Registrar of Vital Stats	Licensing Officer
Arlington	0	8327	46,308	\$63,578	32,209	REP	Elected	Yes	No	Part of Process	Yes	Yes
Belmont	2	5317	27,295	\$73,908	17,831	REP	Elected	Yes	Yes	Part of Process	Yes	Yes
Brookline	9	8701	63,191	\$74,549	40,150	REP	Elected	Yes	Yes	Yes	Yes	Yes
Lexington	5	1910	30,722	\$87,869	22,464	REP	Appointed	Yes	No	Yes	Yes	Yes
Milton	17	2076	28,630	\$58,520	20,126	REP	Elected	Yes	Yes	Yes	Yes	Yes
Natick	21	2207	37,006	\$63,018	24,182	REP	Elected	Yes	No	Yes	Yes	Yes
Needham	15	2351	32,091	\$80,532	23,836	REP	Elected	Yes	Yes	Yes	Yes	Yes
North Andover	27	1077	30,915	\$56,552	21,523	Open	Appointed	Yes	No	Part of Process	Yes	Yes
Reading	13	2519	25,518	\$61,227	20,002	REP	Appointed	Yes	Yes	Yes	Yes	Yes
Stoneham	7	3561	23,244	\$51,962	17,480	Open	Elected	Yes	Yes	Yes	Yes	Yes
Winchester	3	3828	22,970	\$84,353	16,000	Open	Appointed	Yes	Yes	Yes	Yes	Yes

APPENDIX B

Municipalities with Populations within 75% to 125% of the Town of Arlington

Municipality	County	Form of Government	2020 Population	2019 DOR Income Per Capita	Land Area	Population Density	Appointed v Elected TC	Appointing Authority
Amherst	HAMPSHIRE	REP TOWN MEETING	39,263	19,441	27.60	1,423	APPOINTED	TOWN MANAGER
Andover	ESSEX	OPEN TOWN MEETING	36,569	87,282	30.85	1,185	APPOINTED	TOWN MANAGER
Arlington	MIDDLESEX	REP TOWN MEETING	46,308	65,927	5.15	8,992	ELECTED	VOTERS
Attleboro	BRISTOL	COUNCIL AND ALDERMAN	46,461	34,583	26.81	1,733	ELECTED	VOTERS
Barnstable	BARNSTABLE	COUNCIL AND ALDERMAN	48,916	41,054	59.80	818	ELECTED	VOTERS
Beverly	ESSEX	COUNCIL AND ALDERMAN	42,670	50,335	15.09	2,828	APPOINTED	CITY COUNCIL
Billerica	MIDDLESEX	REP TOWN MEETING	42,119	42,563	25.57	1,647	ELECTED	VOTERS
Braintree	NORFOLK	MAYOR	39,143	44,498	13.75	2,847	APPOINTED	TOWN COUNCIL
Chelmsford	MIDDLESEX	REPTOWN MEETING	36,392	56,760	22.37	1,627	APPOINTED	TOWN MANAGER
Chelsea	SUFFOLK	COUNCIL AND ALDERMAN	40,787	21,162	2.21	18,456	APPOINTED	CITY MANAGER
Everett	MIDDLESEX	COUNCIL AND ALDERMAN	49,075	22,806	3.43	14,308	APPOINTED	CITY COUNCIL
Fitchburg	WORCESTER	OPEN TOWN MEETING	41,946	21,698	27.83	1,507	APPOINTED	CITY COUNCIL
Holyoke	HAMPDEN	COUNCIL AND ALDERMAN	38,238	19,720	21.28	1,797	ELECTED	VOTERS
Leominster	WORCESTER	COUNCIL AND ALDERMAN	43,782	29,996	28.81	1,520	APPOINTED	CITY COUNCIL
Marlborough	MIDDLESEX	COUNCIL AND ALDERMAN	41,793	36,482	20.87	2,003	APPOINTED	CITY COUNCIL
Methuen	ESSEX	COUNCIL AND ALDERMAN	53,059	32,038	22.25	2,385	APPOINTED	CITY COUNCIL
Natick	MIDDLESEX	REP TOWN MEETING	37,006	62,985	14.95	2,475	ELECTED	VOTERS
Peabody	ESSEX	COUNCIL AND ALDERMAN	54,481	35,613	16.21	3,361	APPOINTED	CITY COUNCIL
Pittsfield	BERKSHIRE	COUNCIL AND ALDERMAN	43,927	27,686	40.47	1,085	ELECTED	VOTERS
Salem	ESSEX	COUNCIL AND ALDERMAN	44,480	33,601	8.28	5,372	APPOINTED	CITY COUNCIL
Shrewsbury	WORCESTER	REP TOWN MEETING	38,325	59,686	20.73	1,849	APPOINTED	SELECT BOARD
Watertown	MIDDLESEX	COUNCIL AND ALDERMAN	35,329	53,770	3.99	8,854	APPOINTED	CITY MANAGER
Westfield	HAMPDEN	COUNCIL AND ALDERMAN	40,834	30,014	46.32	882	APPOINTED	CITY COUNCIL
Woburn	MIDDLESEX	COUNCIL AND ALDERMAN	40,876	44,751	12.64	3,234	APPOINTED	CITY COUNCIL

APPENDIX C

List of Municipalities with Elected v. Appointed Clerks

Provided by Secretary of State's Election Division, excerpted from VRIS, May 2022

Name of Municipality	Title	Elected v Appointed	Name of Municipality	Title	Elected v Appointed
ABINGTON	TOWN CLERK	E	MELROSE	ELECTIONS ADMINISTRATOR	A
ACTON	TOWN CLERK	A	MENDON	TOWN CLERK	E
ACUSHNET	TOWN CLERK	E	MERRIMAC	TOWN CLERK	E
ADAMS	TOWN CLERK	E	METHUEN	CITY CLERK	A
AGAWAM	TOWN CLERK	A	MIDDLEBOROUGH	TOWN CLERK	A
ALFORD	TOWN CLERK	E	MIDDLEFIELD	TOWN CLERK	E
AMESBURY	CITY CLERK	A	MIDDLETON	TOWN CLERK	E
AMHERST	TOWN CLERK	A	MILFORD		E
ANDOVER	TOWN CLERK	A	MILLBURY	TOWN CLERK	A
AQUINNAH	TOWN CLERK	E	MILLIS	TOWN CLERK	E
ARLINGTON	TOWN CLERK	E	MILLVILLE	TOWN CLERK	E
ASHBURNHAM	TOWN CLERK	A	MILTON	TOWN CLERK	E
ASHBY	TOWN CLERK	E	MONROE	TOWN CLERK	E
ASHFIELD	TOWN CLERK	A	MONSON	TOWN CLERK	E
ASHLAND	TOWN CLERK	A	MONTAGUE	TOWN CLERK	E
ATHOL	TOWN CLERK	A	MONTEREY	TOWN CLERK	A
ATTLEBORO	OFFICE MANAGER	A	MONTGOMERY	TOWN HALL	A
AUBURN	TOWN CLERK	E	MOUNT WASHINGTON	TOWN CLERK	E
AVON	TOWN CLERK	E	NAHANT	TOWN CLERK	E
AYER	TOWN CLERK	A	NANTUCKET	TOWN & COUNTY CLERK	E
BARNSTABLE	TOWN CLERK	E	NATICK	TOWN CLERK	E
BARRE	TOWN CLERK	E	NEEDHAM	TOWN CLERK	E
BECKET	TOWN CLERK	E	NEW ASHFORD	TOWN CLERK	A
BEDFORD	TOWN CLERK	A	NEW BEDFORD	ELECTION COMMISSIONER	A
BELCHERTOWN	TOWN CLERK	E	NEW BRAINTREE	TOWN CLERK	E
BELLINGHAM	TOWN CLERK	E	NEW MARLBOROUGH	TOWN CLERK	E
BELMONT	TOWN CLERK	E	NEW SALEM	TOWN CLERK	E
BERKLEY	TOWN CLERK	E	NEWBURY	TOWN CLERK	E
BERLIN	TOWN CLERK	E	NEWBURYPORT	CITY CLERK	A
BERNARDSTON	TOWN CLERK	A	NEWTON	CITY CLERK	A
BEVERLY	CITY CLERK	A	NORFOLK	TOWN CLERK	E
BILLERICA	TOWN CLERK	E	NORTH ADAMS	CITY CLERK	A
BLACKSTONE	TOWN CLERK	E	NORTH ANDOVER	TOWN CLERK	A
BLANDFORD	TOWN CLERK	A	NORTH ATTLEBOROUGH	ELECTIONS COORDINATOR	A

Name of Municipality	Title	Elected v Appointed	Name of Municipality	Title	Elected v Appointed
BOLTON	TOWN CLERK	E	NORTH BROOKFIELD	TOWN CLERK	E
BOURNE	ASST. TOWN CLERK	E	NORTH READING	TOWN CLERK	A
BOXBOROUGH	TOWN CLERK	A	NORTHAMPTON	CITY CLERK/REGISTRAR	A
BOXFORD	TOWN CLERK	E	NORTHBOROUGH	TOWN CLERK	A
BOYLSTON	TOWN CLERK	E	NORTHBRIDGE	TOWN CLERK	A
BRAINTREE	TOWN CLERK	A	NORTHFIELD	TOWN CLERK	E
BREWSTER	TOWN CLERK	A	NORTON	TOWN CLERK	A
BRIDGEWATER	TOWN CLERK	E	NORWELL	TOWN CLERK	E
BRIMFIELD	TOWN CLERK	E	NORWOOD	TOWN CLERK	A
BROCKTON	EXECUTIVE DIRECTOR	A	OAK BLUFFS	TOWN CLERK	E
BROOKFIELD	TOWN CLERK	E	OAKHAM	TOWN CLERK	E
BROOKLINE	TOWN CLERK	E	ORANGE	TOWN CLERK	E
BUCKLAND	TOWN CLERK	E	ORLEANS	TOWN CLERK	A
BURLINGTON	TOWN CLERK	E	OTIS	TOWN CLERK	E
CANTON	TOWN CLERK	E	OXFORD	TOWN CLERK	A
CARLISLE	TOWN CLERK	E	PALMER	TOWN CLERK	A
CARVER	TOWN CLERK	E	PAXTON	TOWN CLERK	A
CHARLEMONT	TOWN CLERK	A	PEABODY	CITY CLERK	E
CHARLTON	TOWN CLERK	E	PELHAM	TOWN CLERK	A
CHATHAM	TOWN CLERK	A	PEMBROKE	TOWN CLERK	E
CHELMSFORD	TOWN CLERK	A	PEPPERELL	TOWN CLERK	A
CHELSEA	CITY CLERK	A	PERU	TOWN CLERK	E
CHESHIRE	TOWN CLERK	E	PETERSHAM	TOWN CLERK	E
CHESTER	TOWN CLERK	A	PHILLIPSTON	TOWN CLERK	E
CHESTERFIELD	TOWN CLERK	E	PITTSFIELD	CITY CLERK	E
CHICOPEE	REGISTRAR OF VOTERS	A	PLAINFIELD	TOWN CLERK	E
CHILMARK	TOWN CLERK	A	PLAINVILLE	TOWN CLERK'S OFFICE	E
CLARKSBURG	TEMP TOWN CLERK	A	PLYMOUTH	ACTING TOWN CLERK	A
CLINTON	TOWN CLERK	E	PLYMPTON	TOWN CLERK	E
COHASSET	TOWN CLERK	E	PRINCETON	TOWN CLERK	A
COLRAIN	TOWN CLERK	E	PROVINCETOWN	TOWN CLERK	A
CONCORD	TOWN CLERK	A	QUINCY	CITY CLERK	A
CONWAY	TOWN CLERK	E	RANDOLPH	TOWN CLERK/REGISTRAR	A
CUMMINGTON	TOWN CLERK	A	RAYNHAM	TOWN CLERK/REGISTRAR	E
DALTON	TOWN CLERK	E	READING	TOWN CLERK	A
DANVERS	TOWN CLERK	A	REHOBOTH	TOWN CLERK	E
DARTMOUTH	TOWN CLERK	E	REVERE	ELECTION COMMISSIONER	A
DEDHAM	TOWN CLERK	E	RICHMOND	TOWN CLERK	A
DEERFIELD	ASSISTANT TOWN CLERK	A	ROCHESTER	TOWN CLERK	E
DENNIS	DENNIS TOWN CLERK	E	ROCKLAND	TOWN CLERK	E

Name of Municipality	Title	Elected v Appointed	Name of Municipality	Title	Elected v Appointed
DIGHTON	TOWN CLERK	A	ROCKPORT	TOWN CLERK	E
DOUGLAS	TOWN CLERK	E	ROWE	TOWN CLERK	E
DOVER	TOWN CLERK	E	ROWLEY	TOWN CLERK	E
DRACUT	TOWN CLERK	A	ROYALSTON	TOWN CLERK	E
DUDLEY	TOWN CLERK	E	RUSSELL	TOWN CLERK	E
DUNSTABLE	TOWN CLERK CMMC	E	RUTLAND	TOWN CLERK	E
DUXBURY	TOWN CLERK	E	SALEM	CITY CLERK	A
EAST BRIDGEWATER	TOWN CLERK	E	SALISBURY	TOWN CLERK	A
EAST BROOKFIELD	TOWN CLERK	E	SANDISFIELD	TOWN CLERK	A
EAST LONGMEADOW	TOWN CLERK	A	SANDWICH	TOWN CLERK	E
EASTHAM	TOWN CLERK	E	SAUGUS	TOWN CLERK	A
EASTHAMPTON	CITY CLERK	A	SAVOY	TOWN CLERK	E
EASTON	TOWN CLERK	A	SCITUATE	TOWN CLERK	E
EDGARTOWN	TOWN CLERK	A	SEEKONK	TOWN CLERK	E
EGREMONT	TOWN CLERK	E	SHARON	TOWN CLERK	E
ERVING	TOWN CLERK	E	SHEFFIELD	TOWN CLERK	A
ESSEX	TOWN CLERK	A	SHELBURNE	TOWN CLERK	E
EVERETT	DIRECTOR OF ELECTIONS	A	SHERBORN	TOWN CLERK	E
FAIRHAVEN	TOWN CLERK	E	SHIRLEY	TOWN CLERK	E
FALL RIVER	CHAIRMAN	A	SHREWSBURY	TOWN CLERK	A
FALMOUTH	TOWN CLERK	E	SHUTESBURY		E
FITCHBURG	CITY CLERK	A	SOMERSET	TOWN CLERK	E
FLORIDA	TOWN CLERK	E	SOMERVILLE	ELECTION COMMISSIONER	A
FOXBOROUGH	TOWN CLERK	E	SOUTH HADLEY	TOWN CLERK	A
FRAMINGHAM	CITY CLERK	A	SOUTHAMPTON	TOWN CLERK	E
FRANKLIN	TOWN CLERK	A	SOUTHBOROUGH	TOWN CLERK	E
FREETOWN	TOWN CLERK	E	SOUTHBRIDGE		E
GARDNER	CITY CLERK	A	SOUTHWICK	TOWN CLERK	A
GEORGETOWN	TOWN CLERK	E	SPENCER	TOWN CLERK	E
GILL	TOWN CLERK	E	SPRINGFIELD	ELECTION COMMISSIONER	A
GLOUCESTER	CITY CLERK	A	STERLING	TOWN CLERK	A
GOSHEN	TOWN CLERK	E	STOCKBRIDGE	TOWN CLERK	E
GOSNOLD	TOWN CLERK	E	STONEHAM	TOWN CLERK	E
GRAFTON	TOWN CLERK	E	STOUGHTON	TOWN CLERK	A
GRANBY	TOWN CLERK	E	STOW	TOWN CLERK	A
GRANVILLE	TOWN CLERK	E	STURBRIDGE	TOWN CLERK	E
GREAT BARRINGTON	TOWN CLERK	A	SUDBURY	TOWN CLERK	A
GREENFIELD	CITY CLERK	A	SUNDERLAND	TOWN CLERK	E
GROTON	TOWN CLERK	A	SUTTON	TOWN CLERK	A
GROVELAND	TOWN CLERK	E	SWAMPSCOTT	TOWN CLERK	A

Name of Municipality	Title	Elected v Appointed	Name of Municipality	Title	Elected v Appointed
HADLEY	TOWN CLERK	E	SWANSEA	TOWN CLERK	E
HALIFAX	TOWN CLERK	E	TAUNTON	DIRECTOR OF ELECTIONS	A
HAMILTON	TOWN CLERK	E	TEMPLETON	TOWN CLERK	E
HAMPDEN	TOWN CLERK	E	TEWKSBURY	TOWN CLERK	A
HANCOCK	TOWN CLERK	E	TISBURY	TOWN CLERK	E
HANOVER	TOWN CLERK	E	TOLLAND	TOWN CLERK	E
HANSON	TOWN CLERK	E	TOPSFIELD	TOWN CLERK	A
HARDWICK	TOWN CLERK	E	TOWNSEND	TOWN CLERK	E
HARVARD	TOWN CLERK	A	TRURO	TOWN CLERK	A
HARWICH	TOWN CLERK	E	TYNGSBOROUGH	TOWN CLERK	E
HATFIELD	TOWN CLERK	E	TYRINGHAM	TOWN CLERK	E
HAVERHILL	CITY CLERK	A	UPTON	TOWN CLERK	A
HAWLEY	TOWN CLERK	E	UXBRIDGE	TOWN CLERK	A
HEATH	TOWN CLERK	E	WAKEFIELD	TOWN CLERK	E
HINGHAM	TOWN CLERK	E	WALES	TOWN CLERK	E
HINSDALE	TOWN CLERK	E	WALPOLE	TOWN CLERK	A
HOLBROOK	TOWN CLERK	E	WALTHAM	CITY CLERK	A
HOLDEN	TOWN CLERK	A	WARE	TOWN CLERK	A
HOLLAND	TOWN CLERK	E	WAREHAM	TOWN CLERK	E
HOLLISTON	TOWN CLERK	E	WARREN	TOWN CLERK	E
HOLYOKE	CITY CLERK	E	WARWICK	JOHN PAGANETTI	E
HOPEDALE	TOWN CLERK	E	WASHINGTON	TOWN CLERK	E
HOPKINTON	TOWN CLERK	E	WATERTOWN	CITY CLERK	A
HUBBARDSTON	TOWN CLERK	A	WAYLAND	TOWN CLERK	E
HUDSON	TOWN CLERK	A	WEBSTER	TOWN CLERK	E
HULL	TOWN CLERK	E	WELLESLEY	TOWN CLERK	E
HUNTINGTON	TOWN CLERK	E	WELLFLEET	TOWN CLERK	A
IPSWICH	TOWN CLERK	A	WENDELL	TOWN CLERK	A
KINGSTON	TOWN CLERK	E	WENHAM	TOWN CLERK	E
LAKEVILLE	TOWN CLERK	E	WEST BOYLSTON	TOWN CLERK	A
LANCASTER	TOWN CLERK	A	WEST BRIDGEWATER	TOWN CLERK	E
LANESBOROUGH	TOWN CLERK	A	WEST BROOKFIELD	TOWN CLERK	E
LAWRENCE	CITY CLERK	A	WEST NEWBURY	TOWN CLERK	A
LEE	TOWN CLERK	A	WEST SPRINGFIELD	TOWN CLERK	A
LEICESTER	TOWN CLERK	E	WEST STOCKBRIDGE	TOWN CLERK	E
LENOX	TOWN CLERK	A	WEST TISBURY	TOWN CLERK	E
LEOMINSTER	CITY CLERK	A	WESTBOROUGH	TOWN CLERK	E
LEVERETT	TOWN CLERK	E	WESTFIELD	CITY CLERK	A
LEXINGTON	TOWN CLERK	A	WESTFORD	TOWN CLERK	A
LEYDEN	TOWN CLERK	E	WESTHAMPTON	TOWN CLERK	A
LINCOLN	TOWN CLERK	E	WESTMINSTER	TOWN CLERK	E

Name of Municipality	Title	Elected v Appointed	Name of Municipality	Title	Elected v Appointed
LITTLETON	TOWN CLERK	E	WESTON	TOWN CLERK	A
LONGMEADOW	TOWN CLERK	A	WESTPORT	TOWN CLERK	E
LOWELL	ELECTION CLERKS	A	WESTWOOD	TOWN CLERK	E
LUDLOW	TOWN CLERK	E	WEYMOUTH	TOWN CLERK	A
LUNENBURG	TOWN CLERK	E	WHATELY	TOWN CLERK	A
LYNN	ELECTION CHAIRMAN	A	WHITMAN	TOWN CLERK	E
LYNNFIELD	TOWN CLERK	A	WILBRAHAM	TOWN CLERK	E
MALDEN	CITY CLERK/REGISTRAR	A	WILLIAMSBURG	TOWN CLERK	E
MANCHESTER-BY-THE-SEA	TOWN CLERK	A	WILLIAMSTOWN	TOWN CLERK	A
MANSFIELD	TOWN CLERK	A	WILMINGTON	TOWN CLERK	A
MARBLEHEAD	TOWN CLERK	E	WINCHENDON	TOWN CLERK	A
MARION	TOWN CLERK	A	WINCHESTER	TOWN CLERK	A
MARLBOROUGH	CITY CLERK	A	WINDSOR	TOWN CLERK	E
MARSHFIELD	TOWN CLERK	E	WINTHROP	TOWN CLERK	A
MASHPEE	TOWN CLERK	E	WOBBURN	CITY CLERK	A
MATTAPOISETT	TOWN CLERK	E	WORCESTER	CITY CLERK	A
MAYNARD	TOWN CLERK	A	WORTHINGTON	TOWN CLERK	E
MEDFIELD	TOWN CLERK	E	WRENTHAM	TOWN CLERK	E
MEDFORD	ELECTION COORDINATOR	A	YARMOUTH	TOWN CLERK	A
MEDWAY	TOWN CLERK	A			

Arlington Finance Committee

Finance Budgets Working Group

Arlington Retirement Budget Review February 15, 2023

Arlington Retirement Board:

Rich Greco

FinCom:

Al Tosti (present)

Topher Heigham (present)

Brian Beck

Charlie Foskett (present)

<u>Fiscal Year 24</u>	<u>7/1/2023</u>
<u>Non Contributory Payroll</u>	\$500,000.00
<u>Healthcare Agreement</u>	\$150,000.00
<u>Minimum Amount</u>	\$650,000.00
Recommended Amount	\$655,000
<u>Health Care Trust Fund ?</u>	\$1,412,454
<u>Total Appropriation</u>	\$2,067,454

The Health Care Trust Fund, with a balance of \$1,462,000 is no longer necessary as the Town has been on GIC insurance for more than a decade.

As the Town is also considering moving our OPEB funds to PRIM, the Town Manager's proposal will put these funds in a more advantageous investment pool, increasing the security of our employee team's interest in their retirement benefits and migrate the Town's Balance Sheet towards a higher discount rate in calculating the OPEB unfunded liability.

We have received a letter from the Town Manager and Town Counsel certifying that there are no remaining health care related liabilities from the pre-GIC days requiring such funds, but he is recommending reserving \$50,000 and not transferring the entire amount.



**Town of Arlington
Office of the Town Manager**

Sanford M. Pooler
Town Manager

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Phone (781) 316-3010
Fax (781) 316-3019
E-mail: spooler@town.arlington.ma.us
Website: www.arlingtonma.gov

TO: Finance Committee

CC: Ida Cody, Comptroller and Julie Wayman, Budget Director

FROM: Sandy Pooler, Town Manager *SMP*

DATE: February 22, 2023

RE: OPEB funding in FY24 Budget

I request that the Finance Committee consider transferring the bulk of the Health Claims Trust Fund into the OPEB Fund. It has been the Town's practice for many years to transfer three hundred thousand dollars (\$300,000) from the Health Claims Trust to the OPEB trust every year. The Town established the Health Claims Trust Fund as a remnant of the health insurance system it used prior to joining the Group Insurance Commission (GIC). The fund existed in case the Town decided to leave the GIC and contract for health insurance directly with a health insurance provider or providers, in which case it would have needed a fund with sufficient reserves to pay claims.

It is clear now that the likelihood of the Town leaving the GIC is practically zero. Therefore, there is no need to maintain this large balance in the fund. On advice our health insurance consultant, I recommend that we leave fifty thousand dollars (\$50,000) in the fund for now, in case the Town is presented with an old claim from our former health insurance system.

The advantage of transferring these funds is that it will boost the OPEB Trust Fund balance and allow the funds to be invested by the Retirement Board in the market. The Retirement Board is planning to transfer the OPEB Fund into the State PRIT Fund, the same place it invests the Town's pension funds. Doing so will provide the OPEB Fund with better long-term returns than it has now.

One consequence of this transfer is that in future years the Town will not have the Health Claims Trust Fund as an ongoing source for the OPEB Fund. Although we would continue appropriating six hundred fifty-five thousand General Fund dollars (\$655,000) into the OPEB Fund, it may be wise to find other sources to return the annual appropriation to the one million dollar range.

The current balance of the Health Claims Trust Fund is one million, four hundred sixty-two thousand, four hundred and fifty-four dollars (\$1,462,454). I recommend that the Finance Committee transfer one million, four hundred twelve thousand, four hundred fifty-four dollars (\$1,412,454) from the Health Claims Trust Fund to the OPEB Fund.


Vanguard

Retirement trust account
ARLINGTON OPEB TRUST FUND

JAN 10 2023 Intermediary Services: 800-669-0498

Account overview

\$20,104,106.22

Total account value as of December 31, 2022

Year-to-date income

Taxable income	\$664,167.41
Nontaxable income	0.00
Total	\$664,167.41

Balances and holdings for Vanguard funds

Beginning on January 1, 2012, new tax rules on taxable (nonretirement) mutual fund accounts (excluding money market funds) require Vanguard to track cost basis information for shares acquired and subsequently sold, on or after that date. Unless you select another method, sales of Vanguard mutual funds, but not ETFs, will default to the average cost method. For more information, visit vanguard.com/costbasis.

Symbol	Name	Fund and account	Average price per share	Total cost	Balance on 12/31/2021	Balance on 12/31/2022
VTMGX	Devel Markets Idx Admiral	0127-88045469741	-	-	\$5,096,348.56	\$4,765,711.50
VEMAX	Emerging Mkts Stk Idx Adm	5533-88045469741	-	-	2,913,055.66	2,831,234.02
VWEAX	High-Yield Corp Fund Adm	0529-88045469741	-	-	2,027,277.76	1,845,380.19
VAIPX	Inflation-Protect Sec Adm	5119-88045469741	-	-	2,474,561.53	2,180,337.38
VBIRX	Short-Term Bond Index Adm	5132-88045469741	-	-	848,436.38	800,697.12
VBTIX	Total Bond Mkt Index Adm	0584-88045469741	-	-	2,831,650.88	2,458,952.56
VTSAX	Total Stock Mkt Idx Adm	0585-88045469741	-	-	6,488,728.31	5,221,793.45
					\$22,680,059.08	\$20,104,106.22

Note 2022 Loss, common to most market funds

December 31, 2022, year-to-date statement

Page 3 of 10

There will be a warrant article at Town Meeting to move the OPEB fund to PRIM accounts under PERAC. The article may present a question as to who manages it: the Town Manager, the Treasurer or the ACRB.

MEKETA

Town of Arlington OPEB Trust

Total Trust | As of December 31, 2022

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Trust	20,104,106	100.0	-2.6	7.7	-15.2	2.0	3.3	5.3	5.9	Dec-10
Custom Benchmark			-1.9	7.8	-14.9	2.2	3.6	5.5	6.0	Dec-10
Consumer Price Index			-0.3	0.0	6.5	4.9	3.8	2.6	2.6	Dec-10
Domestic Equity Assets	5,221,793	26.0	-5.9	7.1	-19.5	7.0	8.7	12.1	12.0	Dec-10
Spliced Total Stock Market Index			-5.9	7.1	-19.5	7.0	8.7	12.1	12.0	Dec-10
International Developed Markets Equity Assets	4,765,712	23.7	-2.2	17.1	-15.3	1.3	1.7	4.5	4.1	Dec-10
Spliced Developed (ex. US) Index			-0.4	16.3	-15.3	1.5	1.8	5.2	5.2	Dec-10
International Emerging Markets Equity Assets	2,831,234	14.1	-2.1	8.2	-17.8	-1.5	-0.4	—	2.8	Aug-13
Spliced Emerging Markets Index			-0.8	8.2	-17.3	-0.8	0.1	1.9	3.1	Aug-13
Investment Grade Bonds Assets	2,458,953	12.2	-0.6	1.7	-13.1	-2.7	0.0	1.0	1.6	Dec-10
Bloomberg US Aggregate TR			-0.5	1.9	-13.0	-2.7	0.0	1.1	1.8	Dec-10
TIPS Assets	2,180,337	10.8	-1.3	1.8	-11.9	1.1	2.0	1.0	2.3	Dec-10
Bloomberg US TIPS TR			-1.0	2.0	-11.8	1.2	2.1	1.1	2.4	Dec-10
High Yield Bond Assets	1,845,380	9.2	-0.5	4.9	-9.0	-0.1	2.3	3.8	5.0	Dec-10
Vanguard High Yield Custom Benchmark			-0.6	4.4	-10.3	0.2	2.5	3.9	4.9	Dec-10
Short-Term Bond Assets	800,697	4.0	0.0	1.1	-5.5	-0.7	0.8	—	1.0	Aug-13
Bloomberg US Govt/Credit 1-5 Yr. TR			0.1	1.2	-5.5	-0.7	0.8	1.0	1.1	Aug-13

■ Town of Arlington
GASB Statements No. 74 and No. 75

GASB Statement No. 74 – Net OPEB Liability

The components of the Net OPEB Liability for the Town of Arlington OPEB Trust as of an OPEB plan Fiscal Year-end of June 30, 2022 were as follows:

	FY 2022	FY 2021
Total OPEB Liability		
Service Cost	\$ 14,623,230	\$ 14,360,031
Interest	7,218,759	6,771,556
Changes in Benefit Terms	0	0
Differences between expected and actual experience	(11,200,899)	0
Changes of assumptions	(57,545,750)	(2,368,129)
Benefit payments	(7,232,850)	(6,739,480)
Net change in Total OPEB liability	\$ (54,137,510)	\$ 12,023,978
Total OPEB Liability – beginning (2.62%)	264,518,341	252,494,363
Total OPEB Liability – ending (3.99%) (a)	\$ 210,380,832	\$ 264,518,341
Plan Fiduciary Net Position		
Contributions – employer*	\$ 8,168,473	\$ 7,676,012
Net Investment Income	2022 loss Impact (3,25,271)	4,465,599
Benefit payments	(7,232,850)	(6,739,480)
Administrative expenses	0	0
Net change in Plan Fiduciary Net Position	\$ (2,189,648)	\$ 5,402,131
Plan Fiduciary Net Position – beginning	21,268,077	15,865,946
Plan Fiduciary Net Position – ending (b)	\$ 19,078,429	\$ 21,268,077
Net OPEB Liability – ending (a) – (b)	\$ 191,302,403	\$ 243,250,264
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	9.1%	8.0%

*Employer contribution of \$7,232,850 of Pay-As-You-Go and a \$935,623 cash contribution for FY2022.

Update procedures were used to roll the Total OPEB Liability from the valuation date (01/01/2022) to the OPEB plan's Fiscal Year-end (06/30/2022). [GASB Statement No. 74, Paragraph 35(c)]

Note: Charts in this report may not total due to rounding.

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

PERAC letter directing appropriation to the
ACRB e

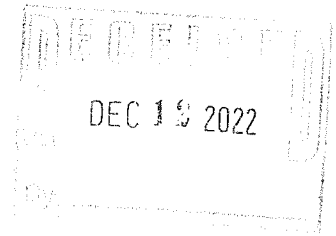
MEMORANDUM

TO: Arlington Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Appropriation for Fiscal Year 2024

DATE: December 5, 2022



Required Fiscal Year 2024 Appropriation: **\$16,280,277**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2024 which commences July 1, 2023.

As we indicated in PERAC Memo #26/2022, we are no longer including the Projected Appropriations page as an attachment. Attached please find the portion of the Fiscal Year 2024 appropriation to be paid by each of the governmental units within your system.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is due to be updated by Fiscal Year 2025.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446 Extension 935.

JWP/jfb
Attachment

cc: Town Manager
Town Meeting
c/o Town Clerk

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Only \$15,676,279 is appropriated by the Town. This includes offsets to enterprise funds, so the Taxation Appropriation is less.

Arlington Retirement Board
Appropriation by Governmental Unit

Fiscal Year 2024 - July 1, 2023 to June 30, 2024

Aggregate amount of appropriation: **\$16,280,277**

UNIT	Percent of Aggregate Amount	Funding Schedule (excluding ERI)	ERI	Total Appropriation
Town and School	96.29%	\$15,676,279	\$0	\$15,676,279
Arlington Housing Authority	3.71%	\$603,998	\$0	\$603,998
UNIT TOTAL	100%	\$16,280,277	\$ 0	\$16,280,277

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

The schedule increase was originally 6% per year, but ACRB and TM reached an accommodation to 5.5% per year.

Fully funded schedule date is 2034. MGL requirement is 2043.

This forecast based on 1/1/2022 values, Poor market performance in 2022 will likely force extending the fully funded date in the future.

ARLINGTON CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2024	3,221,906	120,401,128	13,124,783	(66,412)	16,280,277	5.50%
2025	3,366,892	114,785,688	13,875,213	(66,412)	17,175,692	5.50%
2026	3,518,402	107,974,209	14,668,366	(66,412)	18,120,355	5.50%
2027	3,676,730	99,837,252	15,506,657	(66,412)	19,116,975	5.50%
2028	3,842,183	90,233,736	16,392,638	(66,412)	20,168,408	5.50%
2029	4,015,081	79,009,975	17,329,002	(66,412)	21,277,671	5.50%
2030	4,195,760	65,998,641	18,318,596	(66,412)	22,447,943	5.50%
2031	4,384,569	51,017,649	19,364,423	(66,412)	23,682,580	5.50%
2032	4,581,874	33,868,951	20,469,659	(66,412)	24,985,121	5.50%
2033	4,788,059	14,337,242	14,337,242	(66,412)	19,058,889	-23.72%
2034	5,003,521	-	-	(66,412)	4,937,109	-74.10%

Amortization of Unfunded Liability as of July 1, 2023

* Contributions are set to be the amount resulting from a 5.5% increase on the prior year's contribution. The contribution in FY2033 decreases by 23.72%.

Bases in the funding schedule:

- Amortization of the unfunded actuarial accrued liability: 10 years.

PERAC

PERAC MEMO #29/2022

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: 5% Local COLA option

DATE: November 18, 2022

This is a one-time act by the Governor and General Court. Traditionally, FinCom recommends and TM votes same COLA as active employees receive. However, retire COLA applies only to the base amount of benefit, which is \$15,000 in Arlington.

On November 16, 2022, the Governor signed Chapter 269 of the Acts of 2022 into law. This act provides the local retirement systems with a local option to increase the Cost of Living Adjustment ("COLA") for Fiscal Year 2023 to up to 5 percent on the base amount specified pursuant to G.L. c. 32, § 103. The approval of the increase can occur at any time during the fiscal year and will take effect as of July 1, 2022.

The local approval mechanism is different than traditional COLA increases and COLA base increases. In order for a system to adopt a COLA increase pursuant to this act, **the retirement board must vote for the increased amount and then it must also receive local approval.**

For purposes of this act, local approval means:

- In a city, the mayor must recommend the increase to the city council and the council must vote in favor.
- In a city having a Plan D or Plan E charter, the city manager must recommend the increase to the city council and the council must vote in favor.
- In a town, the chief executive officer¹ - the select board in nearly all cases - must vote in favor to accept the increase rather than the town meeting as is the case for COLA base increases.
- In a district, or other political subdivision, the governing board, commission or committee must vote in favor to accept the COLA increase.

¹ As defined in G.L. c. 4, § 7, "chief executive officer", when used in connection with the operation of municipal governments shall include the mayor in a city and the select board in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.



M E M O R A N D U M - Page Two

TO: All Retirement Boards
FROM: John W. Parsons, Esq., Executive Director
RE: 5% Local COLA option
DATE: November 18, 2022

- In a regional system, two-thirds of the cities and towns within the system must approve the increase. This is done in the same fashion as stated above for municipalities: in a city, by the city council upon recommendation by the mayor or, in a city with a Plan D or Plan E charter, the city manager; or, in a town, by approval of the chief executive officer (likely the select board) as defined by G.L. c. 4, § 7.
- In a county, the county commissioners, who normally do not have a role in COLAs nor COLA base increases, must vote to accept **and** two-thirds of the cities and towns within the system must approve the increase in the same manner as stated above for regional systems.

Though many local systems are comprised of multiple units such as housing authorities and districts, the two-thirds language only applies to regional and county systems as the approval specified in the statute only refers to cities and towns as voting political subdivisions.

Section 2 of the act provides that a COLA increase pursuant to this act is retroactive to July 1, 2022. Any COLA increase, in addition to any COLA previously adopted for FY 23, will become part of the fixed amount of a retirees' retirement allowance in the same manner as all COLAs granted pursuant to section 103.

PERAC has already received questions about estimating the cost of the enhanced COLA. PERAC Actuary John Boorack has provided the following formula for a conservative full-cost estimate, not a one-year estimate, to assist boards in their planning:

$$(0.2) \times (\text{COLA base}) \times (\# \text{ of retirees/beneficiaries})$$

If you have any questions about this memo, please contact PERAC's General Counsel, Judith Corrigan, at (617) 591-8904 or at judith.a.corrigan@mass.gov.

Legislative Update

5% Local COLA Option Signed Into Law

By Bill Keefe
Assistant Deputy Director

Governor Baker signed the 5% local COLA option into law on November 16 as Chapter 269 of the Acts of 2022. The statute allows local retirement boards an option to increase the FY 23 COLA up to 5%. The local approval can take place any time in FY 23 and will take effect as of July 1, 2022.

PERAC issued Memo #29 of 2022 to aid in the implementation of the statute, which has local approval requirements. In all cases, the retirement board must first vote to approve. From there, the mechanisms vary:

- In a city, the mayor or city manager must initiate the action to the city council, which must then vote to approve.
- In a town, the select board must vote to approve.
- In a district, or other political subdivision, the governing board, commission or committee must vote to approve.
- For regional boards, two-thirds of the cities and towns in the system must vote to approve in the same fashion as standalone cities and towns.
- For county systems, the county commissioners must vote to approve and two-thirds of the cities and towns in the system.

PERAC filed seven bills with the House Clerk for the 2023-24 legislative session. Five are re-filed from the 2021-22 session and two are new.

An Act to Provide for Payment of Creditable Service

This new bill would require the employees of new governmental units in a Chapter 32 retirement system to purchase their service in the same manner as members of a system who purchase prior non-membership time.

An Act Clarifying the Chapter 32 Definition of Wages

This new bill adds vacation, sick and personal time taken in the usual course to the Chapter 32, Section 1 definition of wages, excluding when they are used with workers compensation benefits.

An Act Relative to Pension Forfeiture

This would provide for tiered levels of pension forfeiture of 2/3, 1/3, a minimum pension, as well as full forfeiture, in order to respond to court rulings of pension forfeitures being unconstitutional.

An Act Relative to The Recovery of Overearnings

This bill would limit the amount of recapture from a disability retiree over-earner to the amount of pension paid.

An Act Relative to Modifications of Retirement Allowances

This bill would alter PERAC's statutory directive to modify allowances of members with overearnings to make it more effective and efficient.

An Act Relative to Accidental Disability and Group 1 Emotional Distress

This bill would bring Group 1 employees in line with other groups in permitting the use of employer incident records to satisfy the injury report requirement when filing for disability based on emotional injury.

An Act Providing for Statement of Financial Interests Flexibility

This bill would allow for a hardship waiver petition from the penalty of permanent debarment from retirement board service related to non-compliance with SFI filing.

Additionally, two other PERAC bills will be filed by legislators next session should they not pass in the current session. Senator Pat Jehlen and Representative Jay Livingstone will file *An Act to Protect Gender Pay Equity*, which (continued next page)

Legislative Update (continued from page 2)

will add an exemption to anti-spiking for salary adjustments made through the state's Equal Pay Act. Sen. John Velis and Rep. Jerry Parisella will file *An Act Relative to Veterans' Buyback*, which will give veterans in public service more time to purchase their military service and create a one-year grace period for all who missed their initial opportunity.

Hours/Earnings and OML Waivers

The waiver on hours and earnings restrictions for superannuation employees working in the public sector will expire on December 31, 2022. The statute that created the waiver, Chapter 80 of the Acts of 2022, called for the

waiver to end up to 90 days after the end of the Public Health Emergency, or December 31, 2022, whichever occurred first. Plan accordingly regarding hours worked and earnings beginning January 1, 2023.

The current Open Meeting Law waiver is scheduled to expire March 31, 2023, pursuant to Section 4 of Chapter 107 of the Acts of 2022. There has been ongoing work and conversations to make some of the remote participation and physical attendance provisions from this waiver permanent. Unless a permanent change is made, or this waiver is extended

prior to March 31, 2023, public bodies will need to prepare to hold in-person meetings starting April 1, 2023, with the Chair and a physical quorum present.

Legislative calendar

The new session of the Legislature will begin on Wednesday, January 4, 2023, the same day legislators are sworn in.

The Joint Rule 12 bill filing deadline for legislators is the third Friday in January, which in 2023 will be January 20th.

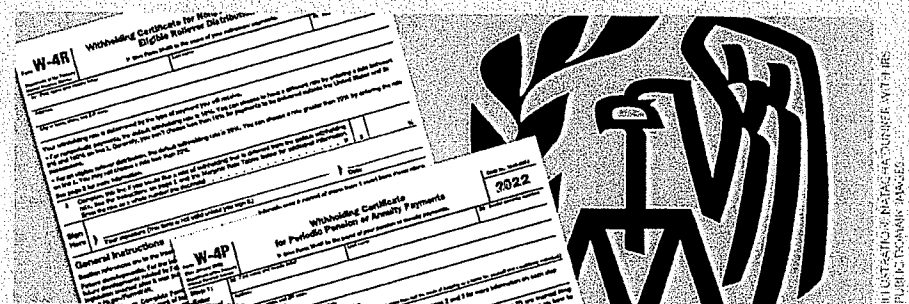
Because it is a new term, Governor-elect Maura Healey will have until March 1 to file her FY 24 budget. ■

New Year, New IRS Tax Withholding Forms – W4-P and W4-R

By Felicia McGinnis, Esq.
Associate General Counsel

Beginning January 1, 2023, the IRS will require the use of two new tax withholding forms, the W4-P and the W4-R.

Previously, retirement boards only needed to provide their members and beneficiaries with the W4-P form for all refunds and rollovers. For this updated version of the W4-P form, there are no major changes, and the tax withholding calculations for refunds and rollovers remain the same.



The only difference with the updated W4-P form is that rollovers and refunds for non-periodic payments have been removed and now require the use of the new W4-R form, which will be discussed below. Generally, if a member or beneficiary rolls over the accumulated total deductions to an

eligible retirement account, nothing should be withheld. If a member or beneficiary receives a direct refund of the accumulated total deductions, the 20% federal withholding tax will still apply. In these instances, the W4-P form needs to be completed.

(continued page 6)

ARLINGTON RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 10 years: 5.50% increases

RP-2014 adjusted to 2006, projected generationally using MP-2021, 7.00% Discount Rate, 5% COLA increase

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2024	3,221,906	122,218,344	13,124,783	(66,412)	16,280,277	5.50%
2025	3,366,892	116,730,110	13,875,213	(66,412)	17,175,692	5.50%
2026	3,518,402	110,054,739	14,668,366	(66,412)	18,120,355	5.50%
2027	3,676,730	102,063,420	15,506,657	(66,412)	19,116,975	5.50%
2028	3,842,183	92,615,736	16,392,638	(66,412)	20,168,408	5.50%
2029	4,015,081	81,558,715	17,329,002	(66,412)	21,277,671	5.50%
2030	4,195,760	68,725,792	18,318,596	(66,412)	22,447,943	5.50%
2031	4,384,569	53,935,701	19,364,423	(66,412)	23,682,580	5.50%
2032	4,581,874	36,991,267	20,469,659	(66,412)	24,985,121	5.50%
2033	4,788,059	17,678,120	17,678,120	(66,412)	22,399,766	-10.35%
2034	5,003,521	-	-	(66,412)	4,937,109	-77.96%

Amortization of Unfunded Liability as of July 1, 2023

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2024	Fresh Start	N/A	N/A	10	N/A	10

* Contributions are set to be the amount resulting from a 5.5% increase on the prior year's contribution. The contribution in FY2033 decreases by -10.35%.

■ Arlington Retirement Board
Actuarial Valuation as of January 1, 2022

From the Actuarial Report

Demographic Results

Actives	
a. Number	808
b. Annual Compensation	\$45,222,925
c. Average Annual Compensation	\$55,969
d. Average Attained Age	46.4
e. Average Past Service	9.3
Retired, Disabled and Beneficiaries	
a. Number	619
b. Total Benefits (excluding State COLA)	\$20,342,537
c. Average Benefits	\$32,864
d. Average Age	75.2
Inactives	
a. Number	487

- Total compensation changed by 4.6% over the prior valuation
- Average annual compensation changed by -0.2%
 - Salary gain of \$1.6 million compared to projected experience

History of Demographic Statistics

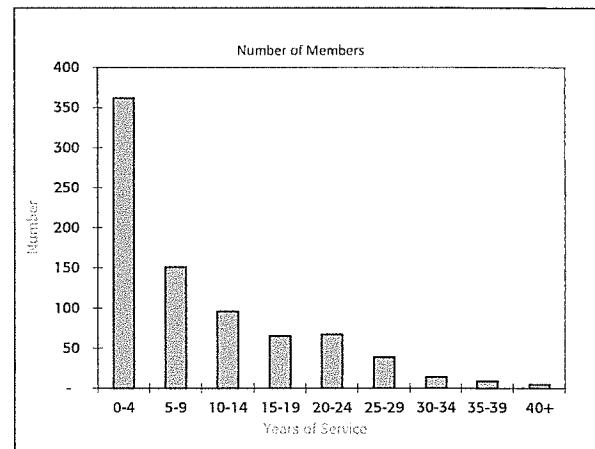
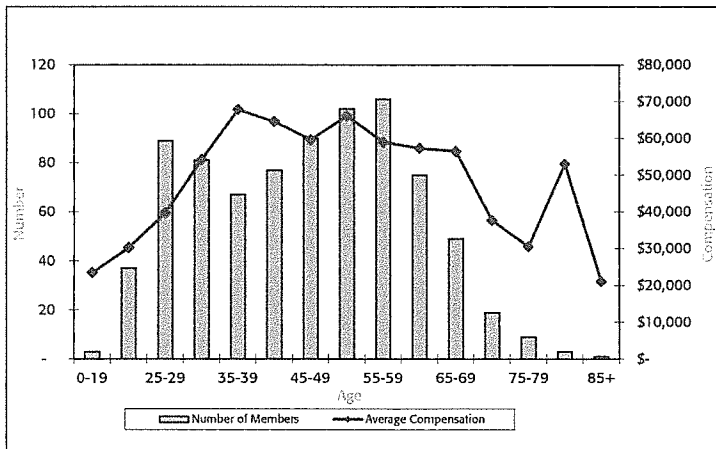
Valuation Year	Actives	Average Age	Average Past Service	Average Ann'l Pay
2022	808	46.4	9.3	\$55,969
2021	771	46.8	10.1	\$56,063
2020	812	45.8	9.6	\$51,504
2019	773	46.5	10.0	\$51,865
2018	735	47.0	10.5	\$51,978
2017	720	46.8	10.6	\$51,089
2016	696	47.0	11.0	\$49,893
2015	705	47.4	11.1	\$47,566
2014	693	47.0	10.7	\$45,893
2013	676	47.6	11.0	\$44,394
2012	677	47.7	11.0	\$42,261
2011	661	48.3	11.6	\$43,323
2010	677	48.1	11.3	\$42,694
2008	707	48.6	11.3	\$39,257
2006	681	48.3	11.7	\$38,676
2005	664	48.4	11.6	\$38,115
2004	683	48.1	11.5	\$35,116
2003	683	48.2	11.3	\$34,490
2002	733	48.5	11.5	\$33,119

- Average annual compensation has grown by 69.0% (2.7% annually) over the past twenty years.

From the Actuarial Report

Distribution of Plan Members as of January 1, 2022
ACTIVE MEMBERS

AGE	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 + Years	Total	Total Compensation	Average Compensation
0-19	3	-	-	-	-	-	-	-	-	3	\$ 70,383	\$ 23,461
20-24	37	-	-	-	-	-	-	-	-	37	\$ 1,119,720	\$ 30,263
25-29	80	9	-	-	-	-	-	-	-	89	\$ 3,531,281	\$ 39,677
30-34	45	35	1	-	-	-	-	-	-	81	\$ 4,394,856	\$ 54,257
35-39	26	22	16	3	-	-	-	-	-	67	\$ 4,541,658	\$ 67,786
40-44	32	16	14	12	3	-	-	-	-	77	\$ 4,970,769	\$ 64,555
45-49	43	13	11	7	16	-	-	-	-	90	\$ 5,365,560	\$ 59,617
50-54	33	17	13	8	13	14	4	-	-	102	\$ 6,743,018	\$ 66,108
55-59	29	18	18	12	11	12	4	2	-	106	\$ 6,245,835	\$ 58,923
60-64	22	13	11	7	9	6	3	4	-	75	\$ 4,300,766	\$ 57,344
65-69	6	6	7	14	8	4	2	-	2	49	\$ 2,767,498	\$ 56,480
70-74	4	-	5	2	4	1	-	2	1	19	\$ 716,188	\$ 37,694
75-79	2	2	-	-	3	1	1	-	-	9	\$ 275,232	\$ 30,581
80-84	-	-	-	-	-	1	-	-	2	3	\$ 159,104	\$ 53,035
85+	-	-	-	-	-	-	-	1	-	1	\$ 21,058	\$ 21,058
TOTAL	362	151	96	65	67	39	14	9	5	808	\$ 45,222,925	\$ 55,969



Disability retirements often take place at a young age, so there is nothing anomalous on the right hand table.

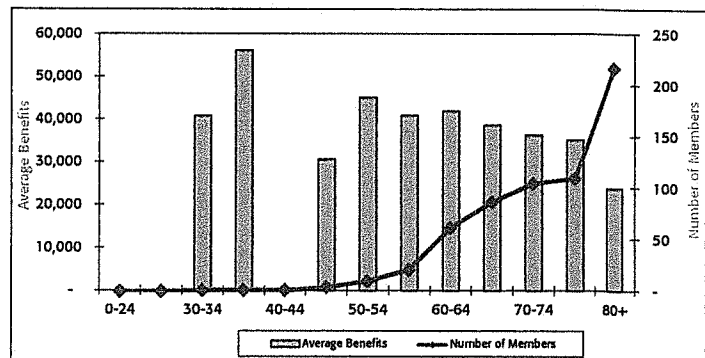
In the left-hand table, the "retirees" are likely younger survivors of retirees, or related special circumstances (e. g. divorce). Confidentiality requirements prevent further descriptions.

Distribution of Plan Members as of January 1, 2022
RETIRED MEMBERS

Retired Members and Beneficiaries			
Age	Number	Average Benefit	Total Benefit
0-24	-	-	-
25-29	-	-	-
30-34	1	40,757	40,757
35-39	-	-	-
40-44	1	144	144
45-49	1	2,317	2,317
50-54	1	21,794	21,794
55-59	16	36,765	588,233
60-64	47	39,451	1,854,200
65-69	76	37,063	2,816,817
70-74	93	36,155	3,362,440
75-79	92	33,336	3,066,926
80+	204	23,002	4,692,466
TOTAL	532	\$ 30,914	\$ 16,446,095

Disabled Members			
Age	Number	Average Benefit	Total Benefit
0-24	-	-	-
25-29	-	-	-
30-34	-	-	-
35-39	1	56,113	56,113
40-44	-	-	-
45-49	3	40,013	120,038
50-54	9	47,670	429,030
55-59	5	53,829	269,144
60-64	15	49,577	743,651
65-69	11	48,190	541,089
70-74	12	37,363	448,361
75-79	18	44,456	800,206
80+	13	37,601	488,809
TOTAL	87	\$ 44,787	\$ 3,886,441

Total			
Age	Number	Average Benefit	Total Benefit
0-24	-	-	-
25-29	-	-	-
30-34	1	40,757	40,757
35-39	1	56,113	56,113
40-44	1	144	144
45-49	4	30,589	122,355
50-54	10	45,082	450,824
55-59	21	40,827	857,377
60-64	62	41,901	2,597,852
65-69	87	38,597	3,357,907
70-74	105	36,293	3,810,801
75-79	110	35,156	3,867,132
80+	217	23,877	5,181,275
TOTAL	619	\$ 32,884	\$ 20,342,537



Benefits shown are net of State reimbursed COLA.

This is PERAC's summary of the critical fund information.

■ Arlington Retirement Board

Actuarial Valuation as of January 1, 2022

PERAC Information Disclosure

The most recent actuarial valuation of the System was prepared by Stone Consulting, Inc. as of January 1, 2022

The normal cost for employees on that date was:	\$4,238,308	9.4% of payroll
The normal cost for the employer was:	\$2,566,493	5.7% of payroll

The actuarial liability for active members was:	\$116,367,058
The actuarial liability for retired members was (includes inactives):	\$206,715,393
Total actuarial accrued liability:	\$323,082,451
System assets as of that date (\$226,281,200.07 Market Value):	\$203,653,080
Unfunded actuarial accrued liability:	\$119,429,371

The ratio of system's assets to total actuarial liability was:	63%
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As of that date the total covered employee payroll was:	\$45,222,925
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The principal actuarial assumptions used in the valuation are as follows:

Investment Return:	7.00% per annum
Rate of Salary Increase:	Select and ultimate rate (4.00% ultimate rate)

SCHEDULE OF FUNDING PROGRESS (Dollars in \$000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/2022	\$203,653	\$323,082	\$119,429	63%	\$45,223	264%
1/1/2021	\$182,823	\$314,568	\$131,746	58%	\$43,224	305%
1/1/2019	\$157,412	\$299,973	\$142,561	52%	\$40,092	356%
1/1/2018	\$151,650	\$294,347	\$142,697	52%	\$38,204	374%
1/1/2017	\$143,793	\$277,735	\$133,942	52%	\$36,784	364%

		<u>38C Update</u>		
<u>Year</u>	<u>For</u>	<u>Before Protest</u>	<u>After Protest</u>	<u>Savings</u>
2011	2010	92,196	17,989	74,207
2012	2011	90,130	17,856	72,275
2013	2012	145,502	39,770	105,732
2014	2013	155,965	41,877	114,088
2015	2014	156,462	43,775	112,687
2016	2015	196,894	68,066	128,828
2017	2016	239,017	86,015	153,003
2018	2017	252,875	88,299	164,576
2019	2018	257,347	89,873	167,475
2020	2019	295,788	103,469	192,320
2021	2020	406,586	178,813	227,772
2022	2021	452,738	205,502	247,237
Minuteman		2,741,502	981,303	1,760,199
not included				
246,000		With	Minuteman	2,006,199
Updated				
12/31/2022				

38C is the legislative reference to the law covering allocation of fund payments to employees who have worked for multiple jurisdictions. In the early days of Minuteman Tech, the entire MM retirement fund was carried in the ACRB. The Board has worked to get this corrected. Another example of how these funds need to be tracked is our former TM Brian Sullivan who worked for different Towns. By making sure the allocations are correct, the Board reduces charges to Arlington's Pension fund.



Pension Reserves Investment Management Board

84 State Street, Suite 250
Boston, Massachusetts 02109

Deborah B. Goldberg, Treasurer and Receiver General, Chair
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer

Arlington Retirement System General Allocation Account December 01, 2022 to December 31, 2022

	Month To Date	Fiscal Year To Date	Calendar Year To Date
Your beginning net asset value for the period was:	200,747,081.16	190,533,278.83	220,955,899.07
Your change in investment value for the period was:	(3,408,798.90)	(2,049,515.44)	(25,272,135.68)
Your exchanges from (to) the Cash Fund for the period were:	(1,200,000.00)	7,654,518.87	454,518.87
Your ending net asset value for the period was:	196,138,282.26	196,138,282.26	196,138,282.26

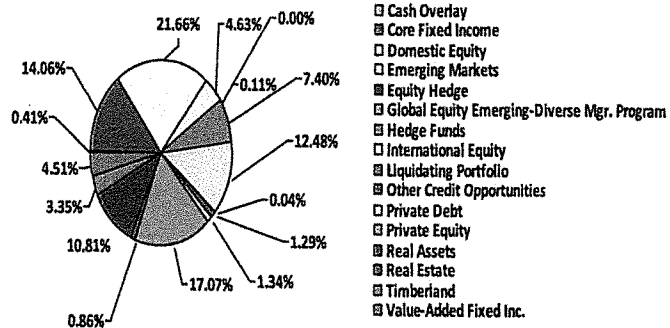
Net Change in Investment Value represents the net change through investment activities as follows:

Gross Investment Income:	424,532.10	2,493,445.26	5,173,503.83
Less Management Fees:	(85,381.51)	(467,964.14)	(1,017,788.17)
Net Investment Income:	339,150.59	2,025,481.12	4,155,715.66
Net Fund Unrealized Gains/Losses:	(3,601,989.35)	(4,142,973.47)	(30,693,205.50)
Net Fund Realized Gains/Losses:	(145,960.14)	67,976.91	1,265,354.16
Net Change in Investment Value as Above:	(3,408,798.90)	(2,049,515.44)	(25,272,135.68)

As of December 31, 2022 the net asset value of your investment in the PRIT Fund was: **\$196,138,282.26**

PRIT Fund Core Asset Allocation

As of December 31, 2022



If you have any questions regarding your statement, please contact the Client Services team at clientservice@mapension.com.
A detailed statement of your account is attached to this summary sheet.

During the recent market downturn the fund lost almost 11% in value. However, including the downturn, the 10-year annual return has averaged over 8% (gross of fees).

PENSION RESERVES INVESTMENT TRUST SUMMARY OF PLAN PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending December 31, 2022											
	NAV \$ (000)	Target Allocation Range	Actual Allocation %	Month	QTD	FY '23	1 Year	3 Year	5 Year	10 Year	Since Inception
GLOBAL EQUITY	34,937,313	33 - 43%	38.1%	-3.39	10.42	3.10	-17.90	4.30	5.26	8.35	6.17
CORE FIXED INCOME	12,607,740	12 - 18%	13.8%	-1.25	0.69	-5.51	-18.26	-2.81	0.28	2.02	6.43
VALUE ADDED FIXED INCOME	6,427,494	5 - 11%	7.0%	0.01	2.96	2.13	-5.43	3.29	3.93	4.16	7.32
PRIVATE EQUITY	16,228,759	12 - 18%	17.7%	0.07	-0.51	-6.17	-4.73	26.03	22.90	20.99	15.90
REAL ESTATE	10,221,967	7 - 13%	11.2%	-2.25	-0.77	-0.90	7.73	11.74	10.36	10.56	7.14
TIMBERLAND	2,972,103	1 - 7%	3.2%	2.96	3.51	3.64	8.18	7.72	5.31	6.06	8.18
PORTFOLIO COMPLETION STRATEGIES	7,839,886	7 - 13%	8.6%	-0.13	0.77	0.33	-2.07	2.41	2.48	4.08	4.09
OVERLAY	364,245	0.0%	0.4%	-1.90	6.36	1.66	-10.35	3.01	2.64		4.09
TOTAL CORE	91,637,386	100%	100%	-1.66	4.15	-0.63	-10.83	6.58	6.74	8.30	9.18
IMPLEMENTATION BENCHMARK (using short term private equity benchmark) ¹				-1.73	4.12	-0.18	-9.41	6.29	6.56	7.74	9.51
TOTAL CORE BENCHMARK (using private equity) ²				-1.28	4.98	2.16	-7.01	4.89	5.56	6.91	9.27
PARTICIPANTS CASH	242,524			0.37	0.95	1.51	1.70	0.78	1.34	0.88	3.44
TEACHERS' AND EMPLOYEES' CASH	23,073			0.36	0.94	1.47	1.67	0.76	1.32	0.87	2.31
TOTAL FUND	91,902,983			-1.65	4.14	-0.63	-10.79	6.56	6.73	8.28	9.22

M&T Bank

TRDP3U P3UG00000000 MONTHLY FINAL 230913

INVESTMENT SUMMARY

31 DECEMBER 2022

2022-12-31 CYCLE A 23:09:17 RUN DATE: 24-JAN-23

PAGE: 1
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ARLINGTON CONTRIBUTORY
ARLINGTON CONTRIBUTORY

<u>INVESTMENT DISTRIBUTION</u>	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
CASH EQUIVALENTS Cash moving in and out to pay retirees	1,402,867.87	1,402,867.87	0.00
EQUITY PRIT Fund	196,138,282.26	196,138,282.26	0.00
PRIVATE EQUITY Old funds being wound down, xfer to PRIT	437,443.20	437,443.20	0.00
TOTAL INVESTMENTS	197,978,593.33	197,978,593.33	0.00

This is the ACRB budget. It is not voted by TM, it comes out of the Retirement Fund as a fund expense. If they underspend it helps the fund, if they overspend, it hurts the fund. This information is provided to FinCom based on a long-standing transparency agreement. Fund expenses are regulated by state law and the fund is audited by PERAC.

	2020	2021	2022	2023
<u>Salaries</u>				
Board Members (5)	\$22,500	\$22,500	\$22,500	\$22,500
Custodian of Funds	\$3,000	\$3,000	\$3,000	\$3,000
<u>Staff</u>				
Retirement Administrator	\$110,801	\$111,909	\$122,466	\$124,915
Assistant Administrator	\$60,212	\$64,000	\$65,600	\$66,912
Overtime, Temp	\$2,500	\$2,500	\$2,500	\$31,500
Longevity	\$6,335	\$7,676	\$8,179	\$8,342
<u>Other Expenses</u>				
Legal	\$12,000	\$11,000	\$9,000	\$13,000
Supplies	\$7,000	\$7,000	\$7,000	\$7,500
Postage	\$8,000	\$8,000	\$8,000	\$11,000
Meetings & Dues	\$13,000	\$13,000	\$12,000	\$12,000
Insurance	\$13,000	\$14,100	\$14,275	\$15,500
Medical Expenses	\$700	\$800	\$750	\$850
Office Equipment	\$8,000	\$6,000	\$6,000	\$7,000
Service Contracts	\$0	\$4,900	\$5,000	\$9,000
Pension Technology	\$26,660	\$27,985	\$29,375	\$30,835
Employee Portal PTG	\$3,150	\$3,150	\$3,150	\$3,150
PTG Scanning	\$4,000	\$4,000	\$4,000	\$4,000
Rent	\$15,000	\$18,759	\$19,200	\$20,000
Powers and Sullivan	\$4,000	\$4,000	\$4,000	\$4,000
<u>Consulting & Fees</u>				
Actuarial valuation	\$26,000	\$15,175	\$15,250	\$15,325
Actuarial OPEB		\$10,000	\$9,000	\$0
OPEB consulting	\$28,000	\$31,000	\$31,000	\$0
Health Ins/Staff	\$49,920	\$46,010	\$48,311	\$52,558
Total				
Actuarial Budget	\$423,778	\$436,464	\$449,555	\$462,887
	3.16%	2.99%	3.00%	2.97%
<u>Investment</u>				
Alt. investments IV	\$5,000	\$0	\$0	\$0
Alt. investments VII	\$17,500	\$17,500	\$17,500	\$17,500
Custodian	\$18,000	\$18,000	\$18,000	\$20,000
PRIT	\$918,000	\$982,800	\$1,258,200	\$1,258,200
Total Investment				
Mgmt Budget	\$958,500	\$1,018,300	\$1,293,700	\$1,295,700
Total				
Operating Budget	\$1,382,278	\$1,454,764	\$1,743,255	\$1,758,587

This fund is to cover a retirement transition.



**Town of Arlington
Office of the Town Manager**

Sanford M. Pooler
Town Manager

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Arlington MA 02476-4908
Phone (781) 316-3010
Fax (781) 316-3019
E-mail: spooler@town.arlington.ma.us
Website: www.arlingtonma.gov

TO: Finance Committee

CC: Ida Cody, Comptroller and Julie Wayman, Budget Director

FROM: Sandy Pooler, Town Manager *SMP*

DATE: February 22, 2023

RE: OPEB funding in FY24 Budget

I request that the Finance Committee consider transferring the bulk of the Health Claims Trust Fund into the OPEB Fund. It has been the Town's practice for many years to transfer three hundred thousand dollars (\$300,000) from the Health Claims Trust to the OPEB trust every year. The Town established the Health Claims Trust Fund as a remnant of the health insurance system it used prior to joining the Group Insurance Commission (GIC). The fund existed in case the Town decided to leave the GIC and contract for health insurance directly with a health insurance provider or providers, in which case it would have needed a fund with sufficient reserves to pay claims.

It is clear now that the likelihood of the Town leaving the GIC is practically zero. Therefore, there is no need to maintain this large balance in the fund. On advice our health insurance consultant, I recommend that we leave fifty thousand dollars (\$50,000) in the fund for now, in case the Town is presented with an old claim from our former health insurance system.

The advantage of transferring these funds is that it will boost the OPEB Trust Fund balance and allow the funds to be invested by the Retirement Board in the market. The Retirement Board is planning to transfer the OPEB Fund into the State PRIT Fund, the same place it invests the Town's pension funds. Doing so will provide the OPEB Fund with better long-term returns than it has now.

One consequence of this transfer is that in future years the Town will not have the Health Claims Trust Fund as an ongoing source for the OPEB Fund. Although we would continue appropriating six hundred fifty-five thousand General Fund dollars (\$655,000) into the OPEB Fund, it may be wise to find other sources to return the annual appropriation to the one million dollar range.

The current balance of the Health Claims Trust Fund is one million, four hundred sixty-two thousand, four hundred and fifty-four dollars (\$1,462,454). I recommend that the Finance Committee transfer one million, four hundred twelve thousand, four hundred fifty-four dollars (\$1,412,454) from the Health Claims Trust Fund to the OPEB Fund.